# Saturday Night

Canada's Magazine of Business and Contemporary Affairs

OCTOBER 25TH 1958 20 CENTS

## Labor, Management Collide As Recession Sharpens Issues

BY GORDON DONALDSON

## New Bid For UK Firm By Massey-Harris?

BY DAVID GRENIER

## No Amateurs Needed In Modern Education

BY ARNOLD EDINBOROUGH

## Mortgage Trading Planned For Canada

BY R. M. BAIDEN

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Banker Charles Sydney Frost: Easy Credit Pioneer: Page 16

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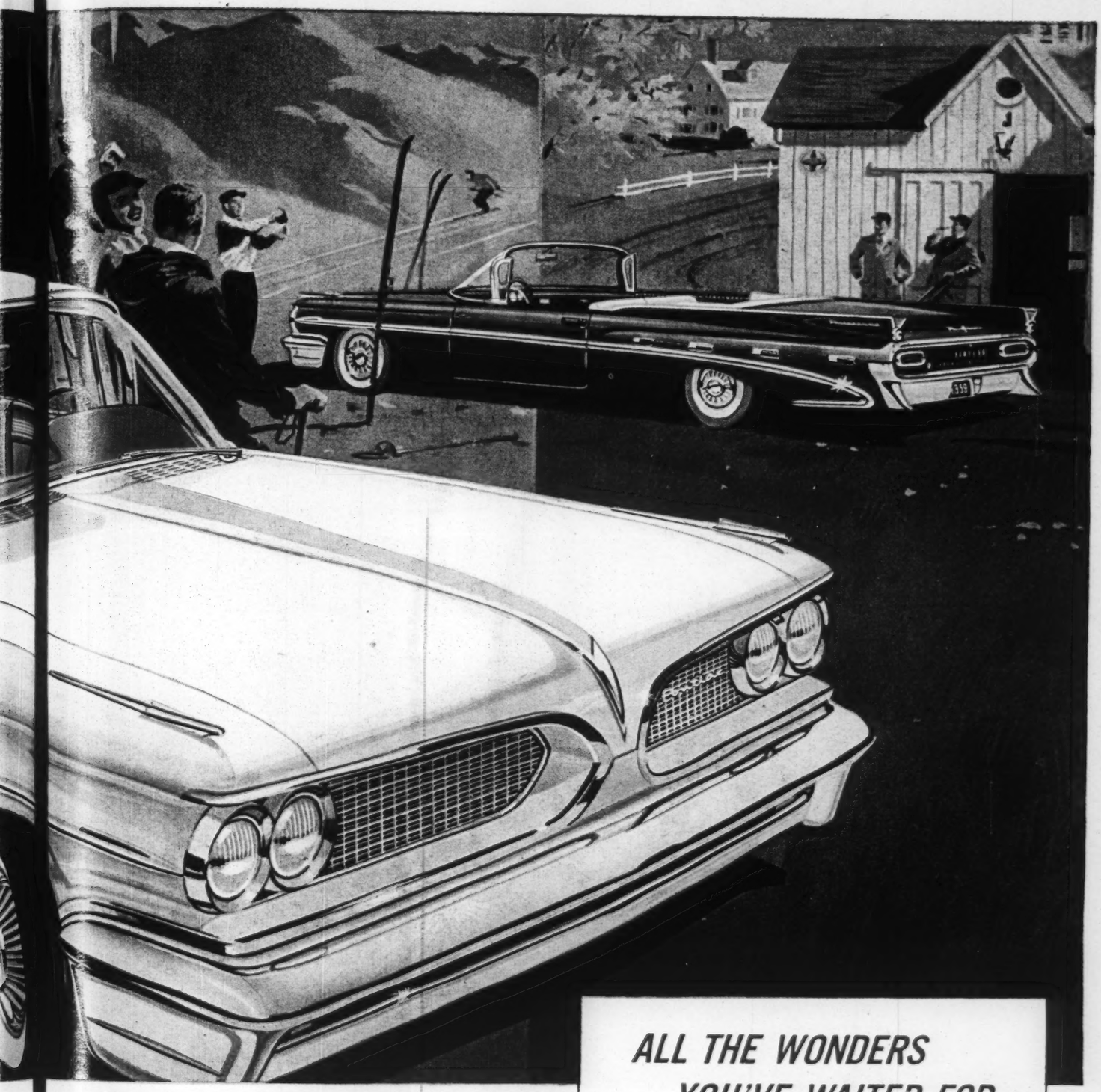

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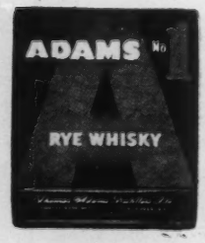

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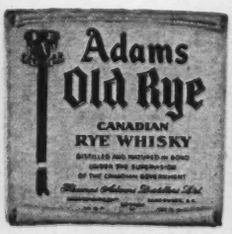

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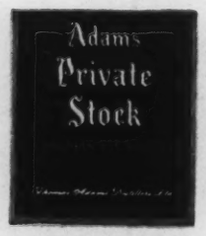

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# Saturday Night

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**Gordon Donaldson**

Battle lines are drawn in labor-management conflicts across the country. Gordon Donaldson, in his article on Page 10, sees management, on one hand, determined to follow Mr. Diefenbaker's "hold-the-line" injunction as an anti-inflation measure, and labor, on the other, out for all it can get, with the justification of increasing the effective demand for goods and services. The issue, if you can believe rival spokesmen, is a rather academic conflict of economic theories.

**Maxwell Cohen**

Maxwell Cohen, SATURDAY NIGHT'S contributing editor on foreign Affairs, surveys the tasks of the thirteenth General Assembly of the United Nations in his article on page 14. Taking stock of the Assembly's almost unlimited agenda, Prof. Cohen writes, "there is literally nothing in the calendar of international troubles that is avoided in this grand tabulation for debate and for hope."

**Anthony West**

"It is no coincidence, or fortuitous accident" writes Anthony West on Page 22, "that Senator McClellan should proceed from the seat he occupies as chairman of the committee inquiring into the conduct of unions, to the stump in his native Arkansas, to uphold the tawdry banner of segregation." Main purpose, according to West, is "to keep the unions out of the South".

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# Letters

## Simple Pleasures

Re the attack of your Ottawa correspondent on Reverend J. D. Mutchmor: I get considerable satisfaction from a glass of beer or an afternoon at the races and so far the Rev. Dr. Mutchmor hasn't succeeded in spoiling my "simple pleasures". On the other hand Dr. Mutchmor seems to get a lot of satisfaction from crusading against beer and racing, and from getting his name in the papers. Does your Logan MacLean want to deprive him of these simple pleasures?

If your correspondent is looking for a really complicated crusade he might try keeping the Dr. Mutchmor's name *out* of the papers. As it is, he has allowed himself—and Dr. Mutchmor—the simple pleasure of sounding off to the extent of nearly a column. As you so aptly put it—Too Much on Mutch.

WINDSOR T. K. L. LEMOINE

## Crisis or Cliche?

Anthony West's comments on the Eisenhower speech on Quemoy make it clear that historically our leaders never forget anything and never learn anything. History doesn't rubber stamp her crises and the slogan "another Munich" is as dangerous and foolish a cliché as any in our dangerous and cliché-ridden times.

The parallel drawn by Eisenhower between Quemoy and Munich had neither validity nor relevance. It would have made just about as much sense if he had said Quemoy was another Mineola or another Medicine Hat.

MONTREAL ARNOLD ANGUS

## Burglar Alarm

Why don't our leaders come out frankly and admit that the holding of Formosa is a military necessity rather than a moral imperative? When you set up a system of burglar alarms you do it to keep out the burglar. You don't do it because you are afraid the burglar may creep in and corrupt the innocence of the family.

TORONTO J. D. WILSON

## Bad Example

As a business executive of many years standing I was much interested in your account of "The Association of Administrative Assistants or Private Secretaries". Some of the subjects listed in the course —business law, accounting, business organization, etc. — should prove useful to any Administrative Assistant.

On the other hand the good secretary is born with an instinct for "human relations" as well as a "concern with responsibilities that lie beyond routine office duties and demand the exercise of judgment and certain executive capacity". If a secretary hasn't these particular qualities by nature she isn't likely to pick them up in an extension course. If she has them, plus a good working knowledge of spelling and sentence structure, she won't need special courses in Chaucer, Shakespeare, Eliot and Orwell.

I have known secretaries who spelled like Chaucer. They weren't much help in the office.

VANCOUVER S. J. MURDOCH

## Fulsome Folly

Apparently Beverley Nichols has thrown off the blinders of "high society", as per his article in your last issue, when he puts on record his comments on royal extravagance. Prince Philip did not show even ordinary "horse sense", when he squandered so much taxpayer's money on a strictly *personal* whim. He deserved whatever castigation the *Sunday Express* bestowed on him.

As for Princess Margaret's recent visit to Canada, just to watch the antics of the "high brass", both lay and military, was, to put it bluntly, completely nauseating. If, as was hinted in the press, H.R.H., was completely fed-up with the fawning and "guards of honour" with which she was surrounded during her visit, then she has my heartfelt sympathy and agreement. If, as the royal press-agents would have us believe, anyone connected with royalty is, automatically, endowed with all the gifts of mind and body most desirable in human form, then why blame the "advisers". Seems highly illogical to me!

MONTREAL J. NAPIER

## Tight Little Dominion

If the international attitude endorsed by your Ottawa correspondent had been general over the past quarter century there would have been no Colombo Plan, no Marshall Plan, no Lend-Lease. Your writer points out that Canada needs to develop her own resources instead of allowing her pocket to be picked for the benefit of backward neighbors whose conditions are largely of their own making.

The fact is that if our Canadian resources are still untapped it is because we

are reluctant to risk investment capital, while resisting the intrusion of capital from across the border. Even so, the Canadian standard of living remains among the highest in the world and visitors from "the slums of Asia" and "the jungles of Africa" must sometimes wonder if our biggest internal problem isn't where to park those longer, wider, shinier new cars.

VICTORIA R. SIMS TANNER

## Class Distinction

In "What Should Education Do?" Arnold Edinborough suggests the "streaming" of students to distinguish between mental and manual skills. This presumably would be done through standard psychological tests which would automatically separate the abstract thinker from the concrete mixer.

In other words you employ a mass technique to weed out the manual drudges from the mental leaders. Luckily there are still individuals who are both mentally and manually gifted and who can be trusted to slip between the meshes of the most tightly drawn "streaming" system and find their own way to the top.

OTTAWA L. P. BRIEN

## Upheaval

While the Toronto burghers were making headlines by their timorous attempts to swallow their new city Hall design a still more soul-shaking event went almost unnoticed.

The haze over the city was not the usual smog. It was smoke rising from the graves of rapidly revolving bodies of the city founders. For . . .

The Toronto *Telegram* attacked the Orange Order.

Now John Diefenbaker can denounce Sir John A. Macdonald and Mike Pearson the United Nations. We seem to have gone full circle.

OAKVILLE RAYMOND MARTIN

## Hold Your Breath

Now we are to have the demerit system to bedevil the already demoralized motorist. As it works out this unfortunate could easily rack up 12 points (plus suspension of license) simply by passing at a normal rate through some Sleepy Hollow that insists on a 30-mile-an-hour speed-limit. To make things worse, he then becomes a guy with a record and the record stands till it is reduced or erased by the passage of time. (How much time?)

As it is, most of us hold our breath while trying to get from one point to another through the endless configurations of street signs and warnings. (Two to twelve points for each infraction.) Maybe breathing, like motoring should be regarded in Transport Minister Dymond's phrase "as a privilege rather than a right".

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# Ottawa Letter

*by Logan MacLean*

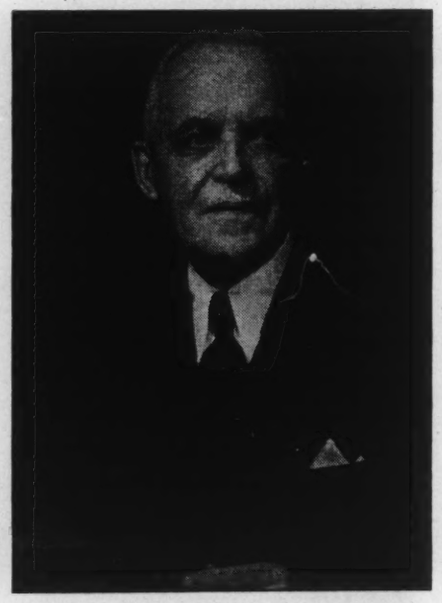
# No Help Wanted

CIRCULATING AROUND this capitol lately is a disturbing rumor that Prime Minister John Diefenbaker will appoint an outsider from some other British Commonwealth nation to be Canada's next Governor General. Practised readers of the Prime Minister's mind report that he will be on the lookout during his forthcoming Commonwealth tour for a likely candidate to take over the Rideau Hall sinecure from its first and only Canadian-born incumbent, Vincent Massey. Ever since his election, Tory Diefenbaker has been striving to do all possible to shore up the Commonwealth; by importing some frazzled old statesman from one of the other British realms, it is said, he would be further strengthening the British tie.

Undoubtedly the people of Australia, New Zealand, South Africa or any other British possession would appreciate it if they could unload on us some pastured politico who has outlived his usefulness at home. But before we start pandering to the Maoris or the Kaffirs there is a far more important group to be considered for any honor that Ottawa is about to bestow. That group is Canada's 4,000,000 French-speaking citizens. They are entitled to at least one nomination to the governor-generalship before we get around to handing it to aliens.

There are many first-rate French-Canadian choices available. The former prime minister, Louis St. Laurent, a man who probably earned more genuine and widespread respect than any other holder of that office in Canadian history, would be a logical nominee. The opinion has always been widely held that he would not take the frilly job; but it should be offered to him. If Politician Diefenbaker is so bound by party loyalty (and we doubt it) that he would not hand the plum to an ex-chieftain of the rival Liberal party, he could find a suitable appointee in his own organization. The present Speaker of the Senate, Marc Drouin, would be an excellent choice. Or if Diefenbaker would prefer a governor-general with no party label at all, the Honorable Thiboudeau Rinfret, former chief justice of the Supreme Court, would fill the bill perfectly.

Any of these men, or indeed any other prominent French-Canadian whom the government would see fit to name, would be vastly superior to an imported nominee.



*Louis St. Laurent: Logical nominee.*

Not only would his appointment satisfy the great body of French-Canadians who rightly feel entitled to representation in Rideau Hall, but as a native Canadian he would do an infinitely better job than a foreigner. The main reason that Vincent Massey has proved so superior to all his British predecessors is that he had the feel of the country. He spoke in accents that could be understood, said things that made sense and did not appear, as did all the previous officeholders, to be a bored and boring puppet reacting only as the strings were jerked in London.

*John Diefenbaker: Let him relax.*

Aside from the British Isles, there is no other place in the Commonwealth that is likely to yield a person who is qualified to be this country's titular head of state. Do we want all this country's legislation to await the approval—even if it be automatic—of some immigrant from Pakistan where the prevailing system of government is anarchy? If there is anyone there with the skill or stature to be Canada's governor general he would be better advised to attend to the mess at home. New Zealand and Australia are backward colonies compared to Canada. They obviously have no useful brains for export. Nor do we want any segregationist from South Africa or Commie-lining Krishna Menon from India.

Let sightseer Diefenbaker relax as he flits about the revered Commonwealth. He need not interrupt the joyride to post Help Wanted signs for aspiring governors-general. Any future vacancies in that line of employment in Canada can be well filled from the pool of local labor.

## Noble Experiment

THE ATTITUDE of the present government toward Canada's foreign trade pattern is like that of the man who tried to get along without food. The fellow cut his intake almost to nothing and his experiment was being hailed as a brilliant success until the experimenter suddenly dropped dead.

Ever since they took office the Tories have been endeavouring to reduce Canada's trade dependence on the U.S. At the last session of Parliament they tightened several of the tariff procedures to make them badly discriminatory against U.S. goods. Before that they went to the ridiculous length of sending a delegation of Canadian businessmen to Britain to plead with stodgy British manufacturers to sell harder to us and thus give their U.S. competitors a beating. These and other moves by the Tory-directed Trade & Commerce Department have brought results; Canadian trade with the U.S., both import and export, has dropped steadily. The latest figures, released a few days ago showed a further 17% drop. This and every new decline is greeted by the Tories with almost as much jubilation as if they had just wiped out the national debt.

Their overpowering prejudice against the U.S. is blinding the Tories to a vital fact of Canada's economic physique: our trade with the U.S. is a true measure of Canadian business. When our commerce with our best customer and our best supplier drops steadily, there is little to cheer about; it is a clear tipoff that Canadian business is declining. Much of the decline in our U.S. imports which the Tories find

so heart-warming is due to the obvious fact that Canadian industry is not buying the quantities of new plant machinery and supplies that were being imported from the U.S. in better times; Canadian consumers, now more tightly strapped for funds by rising living costs, spreading unemployment and sagging business conditions, simply are not spending as freely as before on U.S.-produced luxuries.

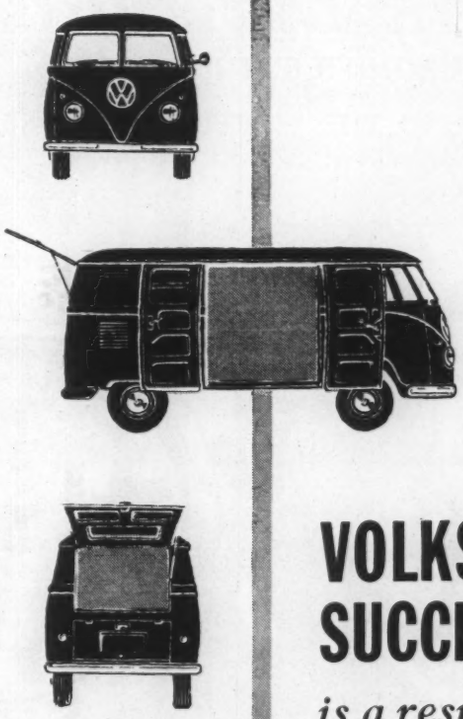
The Tories would be well advised to keep an eye on the patient's pulse, making sure that the economy does not come to a dead halt while they are cheering prematurely about the success of their noble experiment.

## Campus Caper

ONE OF THE MORE idiotic occurrences in this capital in the hiatus since Parliament recessed took place recently on the scruffy campus of the University of Ottawa. Students set a huge stack of firewood ablaze, swung an effigy of Arkansas Governor Orval Faubus into the flames, then danced around the bonfire howling derisively at the burning image of the Little Rock segregationist.

Imagine the fury of the Canadian reaction if the students of some state-supported university in the U.S. staged a demonstration of this kind against some duly-elected public official in Canada! If, for example, the student body of the University of Michigan burned an effigy of Quebec Premier Maurice Duplessis to protest his tireless persecution of the Jehovah's Witness sect, the shrieks of Canadian objection to this interference in our domestic affairs would buckle the international boundary.

University students are entitled to wide freedom in their expression of opinion on public issues. But they are admittedly immature and should be subject to some direction, particularly when they are on school property and acting in the name of their institution. At Ottawa U., however, the faculty members, most of them Roman Catholic priests, just stood around beaming approvingly as their charges put on the anti-Faubus demonstration. If they did not see fit to stop the tasteless display, they could at least have withheld their tacit approval of it. And they could undoubtedly have spent the evening more profitably in some pursuit that would help elevate the none-too-high scholastic standards of their Alma Mater.



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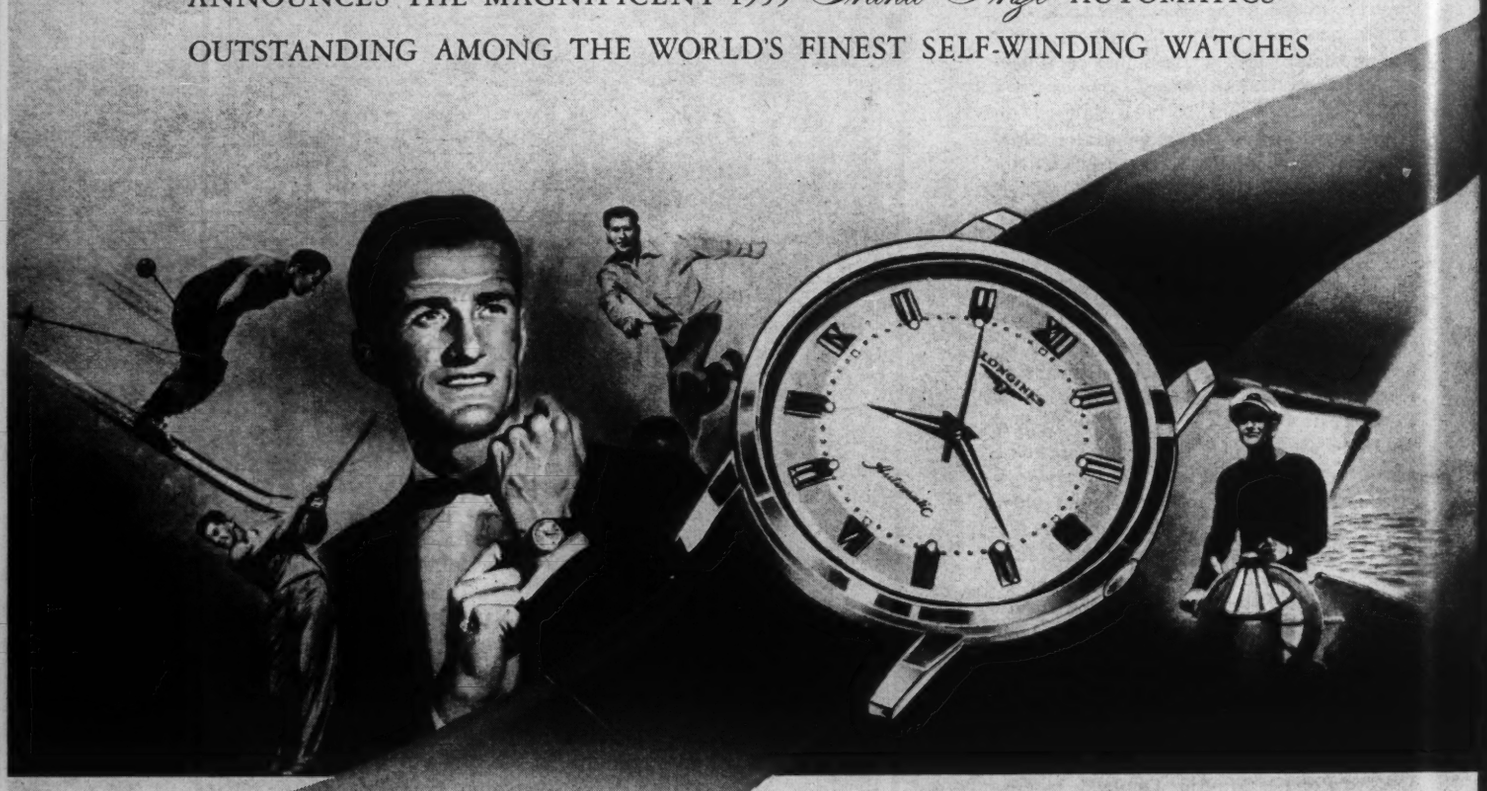


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Saturday Night

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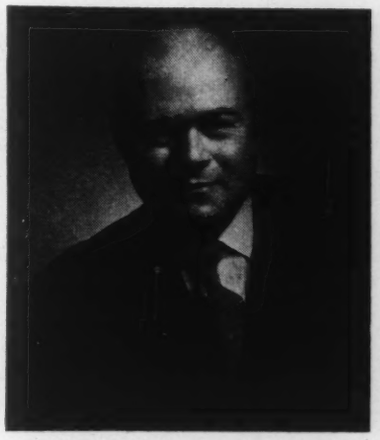
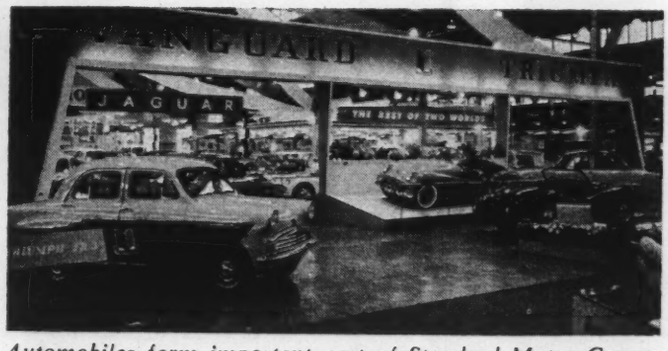


*Control of Massey-F. is held by E. P. Taylor's Argus Corp.*




*Automobiles form important part of Standard Motor Company operations. TR3 sports car is known throughout the world.*

BUSINESSMEN ARE PUZZLING over one of the strangest romances in Canadian corporate history. The destinies of two great manufacturing companies, one Canadian and the other British, have become so closely entwined that a marriage seems inevitable. The question is why has it taken so long to come about?

The two companies are Massey-Ferguson of Toronto, second largest farm implement manufacturer in the world, and the Standard Motor Co. of Coventry, one of the U.K.'s "Big Five" auto producers. Between them they muster annual sales approaching $600 million.

The relationship between the two so far has been more like a common-law alliance than a long engagement. It's been marked by unseemly wrangling and a distressing lack of mutual confidence. So much so that it now gives the appearance of a love affair gone sour. Massey's 1957 offer of marriage—a share-for-share exchange plus cash bonus—was turned down by Standard amid shouts of "outrageous" and "blackmail".

But tender feelings have no place in business when the chips are down and the facts show plainly enough that each company is vital to the other. Standard, which owns the largest tractor plant in the world, builds Massey-Ferguson's important Ferguson tractor line for sale in all markets other than North America. In turn, Massey-Ferguson is not only Standard's largest customer but also its largest shareholder with a 24 per cent holding.

Following what appears to have been an implicit policy agreed on as long ago as 1954, it's more than likely another stock-take-over bid by Massey-Ferguson is slated for the near future. One of the key indicators of a situation favoring a second bid is stock market action. The first attempt failed, allegedly, because the share exchange proposal put too low a valuation on Standard's stock. For the last few months, however, Massey-Ferguson stock has been rising steadily. The same offer today would be much more attractive to Standard shareholders.

CONTINUED ON PAGE 51

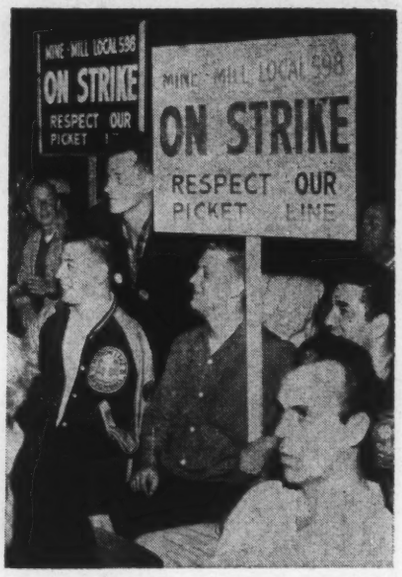
*by*

***David Grenier***

**Our cover says Massey-Harris —an error due to long-standing habit. The name, of course, should be Massey-Ferguson. The company changed names months ago.*

# "Hold-the-Line" Policy Deadlocks Labor Disputes

*By Gordon Donaldson*




BARELY SIX MONTHS after Prime Minister Diefenbaker appealed for restraint on profits and wage demands, Canada is in the middle of the worst labor troubles since the war.

More than 200,000 workers are either on strike or involved in disputes likely to end in strikes. The Department of Labor has warned of a gloomy winter with as many unemployed as at the depth of the recession last year. Union leaders fear things may be even worse.

Bitter statements by both sides emphasize that labor-management relations have hit a new low.

As industries hit by strikes tend to wrap themselves up in their own problems and forget the general labor picture there have been few attempts to explain just what is going wrong.

Yet at least one big, black trend has been building up all summer.

It was explained very clearly by Dr. Eugene Forsey, the scholarly research director of the Canadian Labor Congress in a speech last June.

"Most Canadian unions will this year go out for all they can get in the way of wage increases. They will ask for the biggest increases industry can afford to pay."

This was not "stupid hoggishness," he said. The unions felt it their duty to press wage demands as far and hard as they could to maintain and increase consumer purchasing power.

Higher wages, he said, have been paid in both previous post-war recessions. It was generally agreed consumers had to spend more to fight a recession. And to spend more they had to get more.

Dr. Forsey spoke at a time when a large number of big two-year union contracts were running out. One-

*International Nickel Company's mines at Sudbury and Port Colborne, Ont., were shut down by a strike of 14,000 men.*

third of the 1,400,000 organized Canadian workers were in negotiation or dispute with their employers.

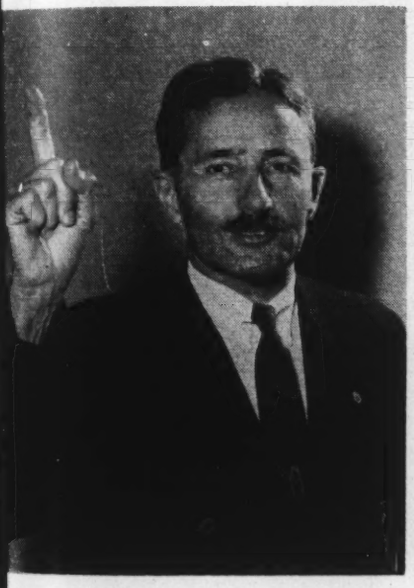
The recession was ending. The Prime Minister had just asked both the CLC and the Canadian Manufacturers' Association not to rock the boat.

Mr. Diefenbaker wanted increased per capita production and stable prices, a competitive position in a world market. It was no time for "drastic or over-demanding action" by anybody.

Profits, he suggested, should come from a large volume rather than high prices.

This was the "hold-the-line" policy in its original form. It has since lost that tone of sweet reasonableness. It has become a battle cry on both sides of the picket-line.

For Labor has no intention of holding the line. And management has dug its heels in.



*Eugene Forsey, Canadian Labor Congress research director: "the biggest increases that industry can afford to pay."*

CMA general manager J. C. Whitelaw accused the unions of using their "monopolistic power" to cause serious inflationary pressure. He said they were constantly forcing up wages, and hence prices, without relation to supply and demand or increase in productivity.

The president of the biggest national union, William J. Smith of the Canadian Brotherhood of Railway Employees blamed "hold - the - line" statements for the worsening relations between companies and workers. He said the policy was slanted against Labor and provided no check at all on big business profits.

Feelings mounted on both sides.

The new spirit was demonstrated in Toronto last month when 450 cement masons struck against the Builders' Exchange. They threw pickets around eight big construction jobs where concrete was being poured.

Unionists of other trades refused to cross the lines (thus honoring union principle but violating their contracts) and work stopped. About 5,000 men were out of work.

Then the bosses struck back. The Exchange closed down $100 million worth of major construction during good fall building weather and claimed to have locked out 20,000 men.

"We're tired of being pushed around by the unions for so long," said Exchange spokesman Robert Jackson.

Union leaders called the lockout "fantastic and unprecedented." The employers went on to say that nobody would be allowed back to work until all existing disputes, including those with other trades, were settled and contracts signed.

The negotiations that followed seemed likely to raise the whole question of picket lines and whether a unionist could refuse to cross one.

This fall, there have been picket lines in towns from coast to coast.

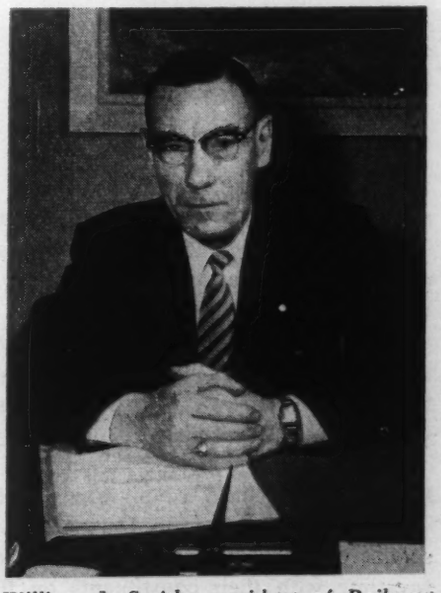
Vancouver and five other British Columbia sea ports were tied up for a month when 1,300 longshoremen walked off the job.

Ontario suffered seven long dry weeks when a strike by 1,200 Brewers' Warehousing Co. workers (the principal beer distributors) closed down the brewing industry and put 8,000 men out of work.

Vancouver's summer construction of schools, a hos-

CONTINUED ON PAGE 53

***Unions are going out for all they can get. Management says it is being "pushed around". Mr. Diefenbaker asks both to "hold the line". Some 200,000 workers are involved in strikes, or are likely to be, before this conflict is resolved, and harmony is restored to the scene.***



*William J. Smith, president of Railway Brotherhood, says policy aims at unions.*

***Besides knowing his own work, a professional must understand the relation of his profession to the whole society and accept the responsibility of leadership. Do Canadian teachers qualify?***

*Over the past 10 years we have paid teachers abominably little and have expected them to do a professional job.*

# The Professional Task of Canada's Teachers

***By Arnold Edinborough***

THE SUCCESS OR FAILURE of any educational system ultimately depends on the teachers. No matter what professional educationists say and no matter what enlightened trustees do, education rests in the dispensing of knowledge from the man who has it to the child who doesn't. The further away we get from this fundamental fact the further away we get from understanding the present educational crisis.

This is not to deny the influence of people like John Dewey, Sir Richard Livingstone or, in a former day, Thomas Arnold. Nor do I underestimate the hours of service put in by Boards of Trustees across the country, wrestling with their constituents on the one hand and the spiralling costs of providing buildings and services on the other. But no theory is any good until it is implemented, nor is any building of itself of any educational value.

With the responsibility for Canada's future greatness thus squarely upon their shoulders, how are teachers bearing up under it? To put it another way, how professional in their thinking and in their actions are the teachers of Canada?

Professionalism, of course, needs to be defined before we can see how well Canada's teachers fit into the pattern.

The first requisite of a professional man is that he be thoroughly conversant with his own special field. We expect, for example, that a doctor who is in general

practice knows enough about any disease to either cope with it in his own office or to know when the services of a specialist are necessary. Again, if we take a dispute to a lawyer, we will expect him to know the law on the subject, or know where the relevant cases can be consulted, or know the best man to retain as counsel in a situation where his own knowledge is not sufficient.

A professional goes further than a technologist in that he is also expected to expand his knowledge constantly both in breadth and depth. In other words, the professional man must keep abreast of the very latest developments in his field — a process which will entail a lot of reading of professional periodicals and of new text and source books.

In addition to exploring his own subject in depth, however, he will also constantly broaden his general knowledge so that he may the better see the social context of his own profession.

The third characteristic of the professional stems from this second and that is that he is looked up to as a leader in society and as a man who realizes what his social responsibilities are. For example, lawyers make up a significant percentage of the people who run for political office and doctors and engineers, particularly when the latter become works managers, are active in community campaigns and organizations of one kind or another.

The acceptance of responsibility and the constant striving for fuller and better knowledge of his chosen field means that a professional not only gives more to society but he expects more from it. This expected reward is both tangible and intangible, for he is accorded more prestige and more money than most of his fellow men.

How well does the teacher fit into this pattern? Some statements brought forward by Dr. E. F. Sheffield, Director of the Education Division of the Dominion Bureau of Statistics, are a startling comment on the first requirement. Speaking at the Canadian Conference on Education in February of this year, he said that "If one assumes that an elementary school teacher should have at least high school graduation at the junior matriculation level plus one full year of teacher training, then 14,150 or 15 per cent of these teachers [in Canada] have less than the desired amount of educational training . . . If one assumes that a high school teacher should be a university graduate with at least a year of teacher training either included in the university course or added to it, then 11,100 or 40 per cent of the teachers of secondary grades in 1955-56 were not qualified".

If we combine the figures for the elementary and secondary school teachers, we have a total in 1955-56 of 25,250 teachers out of a total of 123,200 who are not suitably qualified for the job they are doing. Be it noticed that these figures produced by Dr. Sheffield are for 1955-56 and the enrolment in the 'crash' program in Ontario will have made the figures even more embarrassing for 1957 and for this year. It has been reliably estimated, in fact, that one of every three teachers in Canada is not professionally qualified to do the job he is being paid for.

This seems more alarming than in fact it is, since many people with less than the rigid qualifications asked for by Dr. Sheffield may be doing good work in the schools. For example, in the 6,000 one-room rural schools with less than 20 pupils a good personality may be better than strict professional qualifications. But with all the good will in the world for the uncertified and provisionally certified teacher, the teaching profession as a whole must be very gloomy about this lowering of

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*Social Credit leader Solon Low lost no prestige in returning to teaching.*

*Dr. Hilda Neatby said few elementary school teachers ever read any books.*

*Douglas Fisher enhanced teacher's role in society, defeating C. D. Howe at polls.*

*Assembly's plenary session hears reports and makes important appointments but main work is done in committees.*

# Items and Atoms on UN Agenda

***By Maxwell Cohen***

THIRTEEN IS A NUMBER not voluntarily chosen by those whose habits are governed by old taboos. But the thirteenth General Assembly of the United Nations now in session refused to be daunted by this ancient cliché and chose to enter its 'teens believing that history is the victor of myth.

How robust is the Assembly's view of its role may be observed at once from its table of business which perhaps ought to be described as "agenda unlimited." For there is literally nothing in the calendar of international troubles that is avoided in this grand tabulation for debate and for hope. Indeed there is not much public awareness of how extraordinarily well developed is this acceptance by all the member states of the Assembly's right to look into and report upon the diverse ills of states and mankind. And an analysis of the present agenda is illuminating and perhaps even inspiring.

A word first about the mechanics of its adoption. Under the rules of the General Assembly a provisional agenda is drafted, usually by the Secretary General and it comprises three or four main classes of items: Hold-over matters from the previous Assembly; reports from the various bodies responsible to the Assembly or obliged to report to it; special enquiries on behalf of the Assembly; and new matters now put on the agenda under the rules. This provisional list then is presented to the Plenary Session when it is in due course accepted with changes as proposed by a committee of the Assembly charged with the task. And when the present agenda was adopted on September 22nd last, a few days after the opening of the Assembly, the various items were then allocated to the full Plenary Session on the one hand or to the seven main committees on the other.

Some idea of the extraordinary scope of the present

Assembly's concerns can be obtained by a short survey of the various items chosen for discussion. The Plenary will, apart from the opening general debate, hear reports from the Secretary General, the Security Council, the Economic and Social Council, the International Atomic Agency and on the situation in Hungary. In addition it will elect three non-permanent members of the Security Council, three members of the trusteeship Council, a new U.N. High Commissioner for Refugees, while appointing members of the Peace Observation Commission and the Disarmament Commission. Many of these matters are of considerable delicacy particularly in the case of elections to the various councils for this involves careful allocations of seats in accordance with — by implication at least — regional, bloc and other considerations. Of course the Plenary Session also will re-examine many other agenda items when they come back from the main committees in the form of a resolution or a report.

But the main work of the Assembly in session is done by its seven committees where all members sit and where their circular committee arrangements provide a round table intimacy that often dilutes the tension of the issues and bridges a little the distance between the debaters. The first Committee (political) has this autumn the Korean question; the problems of the peaceful use of outer space; Algeria; disarmament; Cyprus; the effects of atomic radiation; cessation of tests; and the reduction of military budgets by the great powers. Several of these are, of course, subjects already discussed or managed in other forums—NATO, the Geneva Meeting on Nuclear Testing, etc., while others are often challenged as proper

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***The Assembly's seven committees will tackle an almost unlimited list of jobs, from the problems of outer space to the future of Togoland but will give scant attention to international law.***

*U.S. Secretary of State Foster Dulles doodles while listening to a speech made by the Japanese Foreign Minister, Aiichiro Fujiyama.*

*Canada's Minister of External Affairs Sidney Smith checks over a speech before going in to an afternoon session of the Assembly.*

# *C. Sydney Frost:*

# Bank Invades Small Loan Market

***By Bruce Wallace***

*President of the Bank of Nova Scotia, C. Sydney Frost, authorized bank's move into consumer loans. Other banks have offered similar service but never in such a big way. The bank is after all the consumer loans it can handle.*

WHEN A FINANCIAL ORGANIZATION as august as one of Canada's chartered banks makes a major policy decision, it usually doesn't either want—or get—front-page headlines and top billing on radio and television newscasts.

But when the Bank of Nova Scotia earlier this month announced its new "Scotia Plan" scheme for consumer financing, publicity was exactly what it wanted. And publicity it got. The reason, of course, was the bank's radical change of policy which put it squarely into the loan market in competition with personal finance companies and acceptance corporations.

The man under whose authority the bank made its radical move is C. Sydney Frost, a native Maritimer who rose from junior clerk to president of Canada's fifth largest bank.

Fifty years ago, at the age of 15 Frost left Argyle, N.S. to join the staff of the local branch of the Bank of Nova Scotia in nearby Yarmouth. Six years later he left Yarmouth to become an accountant with the bank in St. John's, Newfoundland.

When the First World War broke out later that year, Frost enlisted as a private in the Royal Newfoundland Regiment. Overseas, his unit was attached to a British Division and sent to Gallipoli. Transferred to the Western front, Frost was awarded the Military Cross at Ypres. By the end of the war he held the rank of captain.

After demobilization, he returned to Newfoundland to take over as manager of the branch at Fogo. Before leaving Newfoundland, he served for several years as inspector of the bank's 25 Newfoundland branches. This, he recalls, involved travelling by boat along the coast or by catamaran (raft) in the summertime and by komotick and dog team in winter. A komotick, he explains, is an open sleigh where the riders "sit sideways because it's easier to fall out or slide off should it tip over".

After leaving Newfoundland in 1926 to become assistant manager at Winnipeg, his responsibilities began to

grow quickly. In 1931 he was moved to Saskatoon as branch manager and to Saint John, N.B. in 1938. After various other appointments, including a stint as supervisor of eastern branches, he was named assistant general manager in 1946. Three years later he was appointed general manager. In June, 1956 and after six months as executive vice-president, Frost was named the bank's president.

The history of a bank, and what it does, is most often told in the history of the men who guide it. The Bank of Nova Scotia was founded in 1822—136 years ago. Since then it has grown to a sprawling mammoth with 500 branches across Canada.

With a practical, professional banker at the helm, the Bank of Nova Scotia is advancing its position as one of this country's foremost financial institutions.

What is new about the bank's policy was not so much the fact of its entering the consumer loan market with its Scotia Plan, but the obvious intent of the bank to get into the market in a big way. The Canadian Bank of Commerce, for example, has had a similar credit service since 1936 but, in comparison with regular finance companies, has made relatively few loans.

The Bank of Nova Scotia, on the other hand, while not saying just how much of the market it hopes to get, makes no bones about going after as much as it can handle.

Briefly, the plan—which went into operation the fifteenth of this month—will loan money for "any worthwhile purpose". Loans will be made in any amount (most are expected to fall between $250 and $5,000) on signature alone, on automobiles or on home furnishings. (Banks have, in the past, made loans on automobiles, but never before on home furnishings.)

The bank says the loans will cost $6.38 for a $100 loan, a true interest rate of 10.4 per cent. In addition, the bank will provide life insurance on the borrower in the value of the loan at no additional charge.

Although it was generally understood that the bank was going to bring out some form of consumer credit plan this Fall, the actual announcement created a good deal of surprise. (The announcement itself, scheduled for later this Fall, was forced by a leak in a Montreal newspaper.) The stock market, which would have been expected to have discounted the plan, was evidently caught by surprise. The Bank's stock rose sharply following the announcement while the stock of some acceptance and finance companies dipped. A few days later, however, prices settled back to near their previous levels.

The stock market's action mirrored the initial feeling of many observers that the Scotia Plan could be a severe threat to existing finance companies. Additionally, it was felt that with both the Bank of Nova Scotia and the Canadian Bank of Commerce active in the field, the bigger banks—Royal and Montreal—would be forced in as well to protect their positions. So far, however, none of the other chartered banks has made a statement.

A glance at finance company rates shows why the plan could be a threat. On loans up to $300, finance companies charge two per cent a month for an annual true interest rate of 24 per cent, the legal limit. On

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***The Bank of Nova Scotia's consumer financing plan leads banks into a new loan market in a big way. Others may follow in an area they have so far avoided.***

*Mr. Frost examines bank's book of war dead. He won Military Cross at Ypres.*

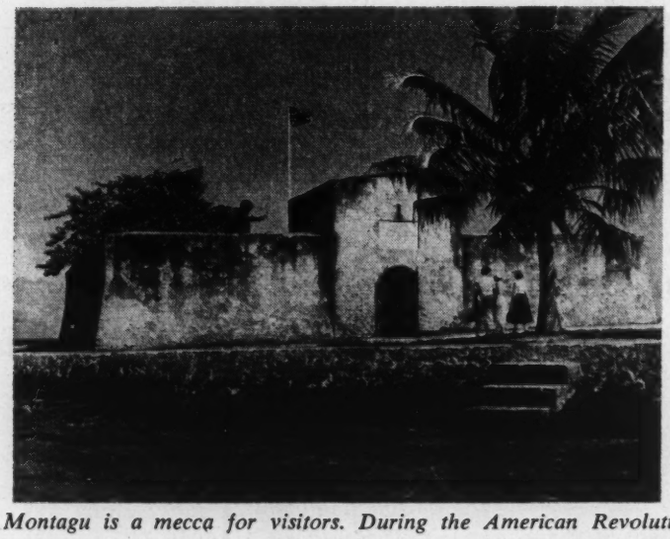
*Presenting the President's Trophy at the annual Toronto branch golf tournament.*

*Mr. Frost watches as tape is cut to open a new branch at Port of Spain*

*Pulsing with tourist activity, Nassau's sheltered harbor is the heart of the Bahamas. Cruise ships bring visitors, freighters carry varied cargoes.*

*Vignettes of life in another century. Balanced loads and ancient carriage.*

*Along the colorful waterfront boys dive for coins thrown by visitors.*



*Fort Montagu is a mecca for visitors. During the American Revolution it was briefly occupied and is now maintained as an interesting monument.*

*Bastions of Fort Charlotte provide an entrance view over the city and harbor.*

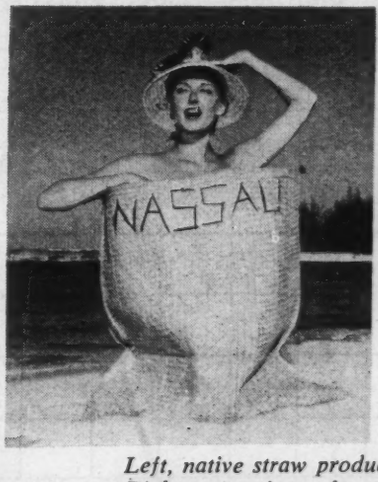
*Paradise Beach is a long curve of gleaming white sand, lapped by clear, crystal-tinted bay water.*

# NASSAU: Caribbean Holiday Gem

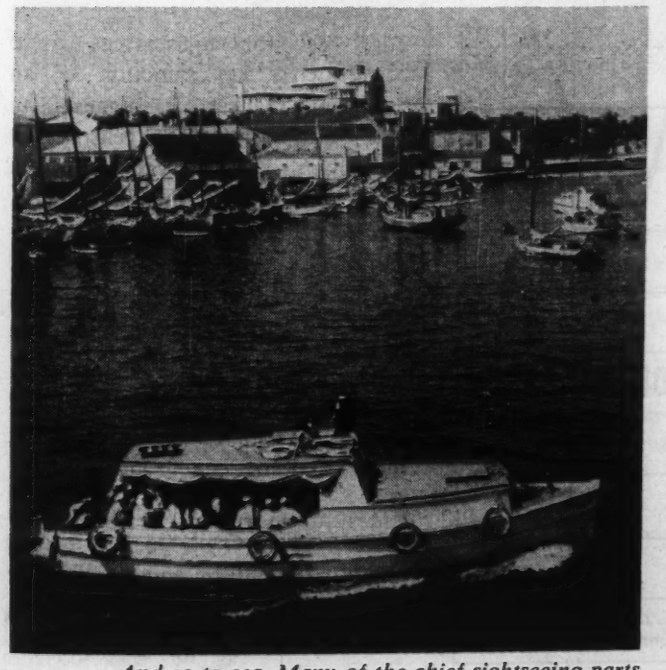
***Already thousands of Canadians who chose winter vacations are making their plans. Nassau and its beautiful surrounding isles have long been a favorite resort.***

*Bahamian waters are so clear that the meeting point between sea and sand, and depth of water are puzzling.*

*Leisurely transportation is part of the quiet charm of a winter holiday. A typical carriage in Bahamas.*



*Left, native straw products are favorite souvenirs. Right, open air markets to "try them on for size".*



*And so to sea. Many of the chief sightseeing parts of the Bahamas are accessible only by water craft.*

*Trained flamingos at Nassau's Adastra Gardens are taught to obey the vocal commands of the trainers.*

***In Canada's booming housing market, financial institutions can look ahead to when they will not be able to provide enough mortgage money.***

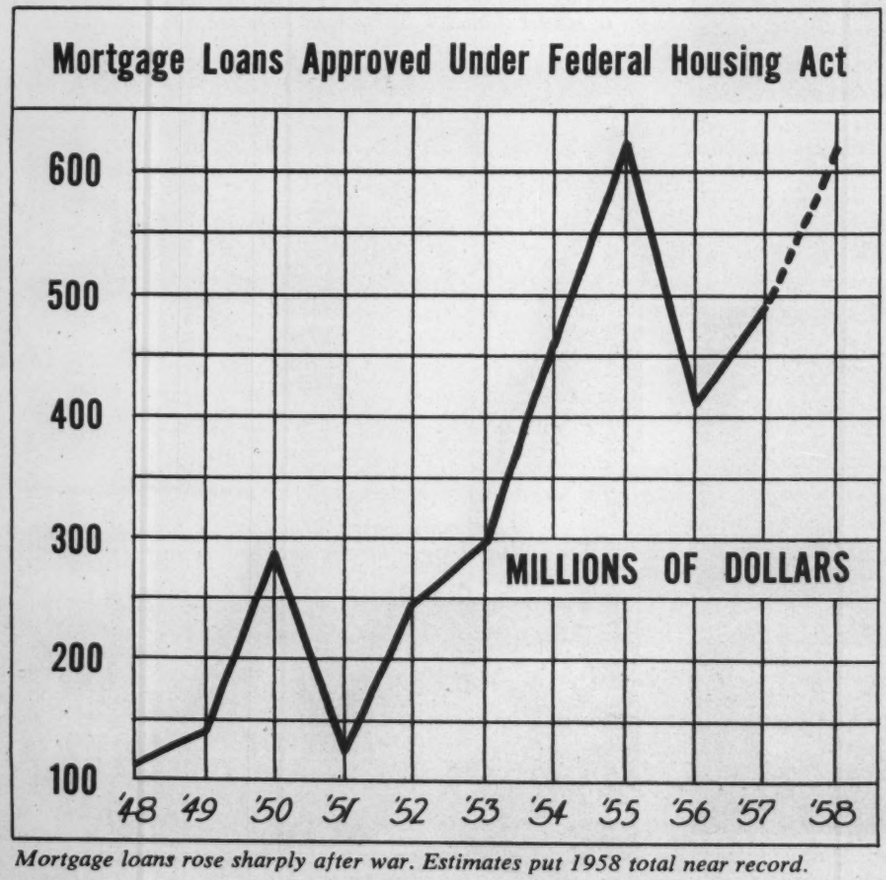
# Mortgages: New Market For Investors

*by R. M Baiden*

CANADA NEEDS AN ORGANIZED secondary mortgage market. Just about everybody—chartered banks, government agencies and private and institutional investors—agree on that. They also agree we have needed one for quite some time. Now it looks as though we'll get one.

Several factors have coincided to brighten prospects for a mortgage market. Canada's house building boom this year, for example, is the direct result of additional mortgage funds released by the federal government through the chartered banks. This money is running out and the limit of banks' abilities to absorb mortgages in their investment portfolios is in sight. If the banks have no more additional money for mortgages, and no place for them in their portfolios, the mortgage demand will have to be met by other institutional investors such as insurance companies and pension funds. But it was largely their inadequacy to meet the demand that forced the government to make more money available.

Working on this basis, several groups are pressing strongly for the establishment of a market. The National House Builders Association, for example, by persistent pressure, moved the Senate Standing Committee on Finance to recommend establishment of a committee to examine the Canadian mortgage market with a view, in effect, to establishing a mortgage exchange.




*Mortgage loans rose sharply after war. Estimates put 1958 total near record.*

More recently, the Ontario Title Insurance Agency Ltd. prepared a report with recommendations showing how an organized market could be set up. This company, in the business of protecting mortgage buyers from the risks of real estate titles, feels that its services would constitute a key function of an organized market. It suggests, in fact, that one important reason why Canadians haven't yet organized such a market is that large U.S. investors, familiar with the company's U.S. operations, are wary of buying Canadian mortgages without this form of title insurance protection.

How exactly would a mortgage market aid Canadian housing and at the same time benefit investors?

Primarily, it would make mortgages readily available for trading and investment by increasing their liquidity. A bank, for example, which found that it was temporarily

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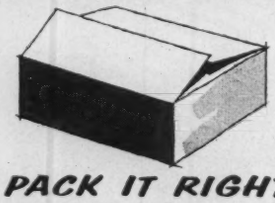

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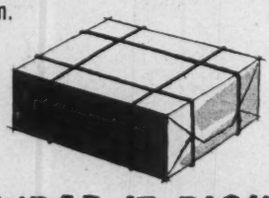
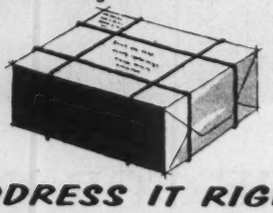
use corrugated cardboard or a stout carton.



WRAP IT RIGHT
use strong wrapping paper and tie securely with strong cord.



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print name and address clearly, completely, correctly and in ink on front of parcel. Put your own name and postal address in upper left hand corner, and also inside parcel.

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CHECK YOUR POST OFFICE FOR OVERSEAS MAILING DATES
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# New York Letter

*by Anthony West*

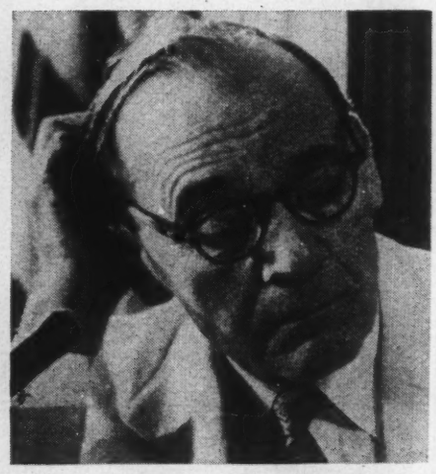
# A Carnival of Cant

THE THICK CLOUD of haze flung up around the issue of integration in schools by the orators of the deep South is full of airy suggestions that profound constitutional questions of States' Rights are involved, and the ineffable Governor of Arkansas can hardly draw breath without referring to himself as the head of a Sovereign State, and to its benighted white population as "my people".

All this is so much fiddlemeree, and occasional glimpses of the truth are to be had when the orators, with a catch in their throats, drop their voices and start crooning about their deep attachment to what is known as "the Southern way of life". This is supposed to be a far, far, finer thing than anything which the money-grubbing and impatient North has so far achieved. It recognizes courtesy, leisure, and what are known as "the deeply human values" which distinguish a true civilization from a false one, as the materialist North doesn't.

What the Southern champions never explain is why their peculiar brand of humanism has to be sustained and nourished by co-existence with the miasma of superstition and ignorance in the minds of hordes of ill-educated and substantially illiterate blacks. The answer that these voteless and degraded citizens are happier that way, and that sheer benevolence on the part of the whites who really understand them is responsible for their subjection, is clearly absurd. In fact, the Southern way of life depends very largely on the availability of a large pool of cheap coolie labor which can be coerced into doing a great deal of dirty work at the wage levels of 40 years ago. This time lag in the rates of pay awarded to domestic servants, laundresses, unskilled factory workers and field workers makes life cheaper and easier than it is in the North for a large section of the middle class, who count their blessings and take a kindly paternal interest in the colored people they underpay. These sentimentalists genuinely believe that their condescension to "their people" is a much warmer and more beautiful thing than the cold and inhuman relationship subsisting between employer and employed in the North.

What these self-satisfied lardheads fail to observe is that the principal function of the pool of colored coolie labor which they sustain, is to hold down the price of white labor and to prevent the southward spread of unionism. The key to the southward migration of a great deal of northern industry is to be found in these two matters. The employer who moves south will save 10 to 30 cents an hour on the wage bill of every single employee he hires, and he will be altogether free of pressure from the rich and powerful unions he has to deal with in the north. The northern frontiers of the racist South are the southern frontiers of, in the union term, organized industry. South of the line, union organizers are simply labelled "communists" and hunted like quail, while any footholds they may gain in industry are immediately liquidated by dilution with colored labor, or by the threat of such dilution. The brouhaha about segregation and race, is carefully maintained for the twin purposes of preventing any development of an alliance between the black and the white coolies to better their conditions, and to keep the unions out of the South.



*Senator McClellan: The same fight.*

It is no coincidence or fortuitous accident that Senator McClellan should proceed from the seat he occupies as chairman of the committee inquiring into the conduct of unions, to the stump in his native Arkansas, to uphold the tawdry banner of segregation. In both places he is conducting the same fight. Senator McClellan has the richly sanctimonious manner of a successful undertaker, or of the rector of a fashionable church in a

wealthy parish, and he combines a fine preaching technique with one of comportment which suggests that the Almighty consults him on all really vital questions.

Senator McClellan made a fighting speech down in Arkansas, claiming that it was a vile outrage on the part of the Federal Government to seek to intrude itself in the affairs of the state to win a minority of its people their basic constitutional rights. The majority of the people of his sovereign state had voted, and would vote again, that negroes were a superior kind of cattle without any rights at all, and it was intolerable that any outside agency should attempt to say them nay. The Senator then gave his unequivocal support to the toughs and rowdies who had succeeded in making the orderly conduct of Central High in Little Rock impossible, and to Governor Faubus who had done everything he could to make it easy for the toughs and the rowdies to defy the law and to persecute the negro children who had come forward to claim the birthright denied to the people of their race for 90 years since the Civil War. Having spoken his piece, the Senator then returned to Washington to go out after James Hoffa for not respecting the law in his conduct of the Teamsters' Union.

The conduct of the Senate Committee over which Senator McClellan presides, is pretty fancy in its own right. Its counsel, Robert Kennedy, a brother of the Democratic presidential hopeful, has two main methods of procedure, hallowed pieces of the late Senator Joseph McCarthy's legacy to democracy. The first method is used with a co-operative or "friendly" witness who has been turned up by the committee's team of investigators; Mr. Kennedy reads back to them in public session the statements they have made previously to the committee in private executive session, slightly altered into the form of leading questions which would be inadmissible in a law court. These "friendly" witnesses are not subjected to cross-examination, so that there is no way of checking on their credibility, or of exposing their many inconsistencies, or, in some cases, their transparent dishonesty.

When it comes to an adverse witness, Mr. Kennedy cuts an even wider swath through the sensitive area of the rights of accused persons: he makes no pretence of drawing admissions from his witnesses. He simply reads at them a great mass of what may be the truth, but which appears often to be simply hearsay, slander, or malicious invention. What it is, the newspaper reader, or the member of the radio and the television audience, has no way of discovering. The faceless and unknown informants who provide Mr. Kennedy with his materials, are never produced and never exposed to cross-examination. Occasionally, one glimpses in the background of Mr. Kennedy's questions a trace of the kind of event which has produced the

. . and for the stirrup cup,
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Johnnie Walker —
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# HOW DO YOU SEAL GLASS AND ALUMINUM?

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informant: somebody is getting back at somebody else for doing them out of a good soft job, somebody is working off resentment at their failure with a woman with whom somebody else had a success. It sounds as if all an abused witness had to do was manfully deny the slanders and offer proof of their own innocence to the committee.

But, as Mr. Kennedy and the ineffable Senator McClellan are well aware, there is no way in which a witness can support his denials with corroborative evidence, or make an extended statement of his own case. His lawyer never has an innings in which he can ask the questions which will produce the witness's reason for doing and saying what he has done, or the witness's picture of the accessory circumstances, nor can his lawyer call his own witnesses. His sole defence is to refuse to answer the questions put to him, and this defence has the defect of creating an overwhelming impression of admitted guilt in the lay mind, a fact on which Mr. Kennedy relies heavily.

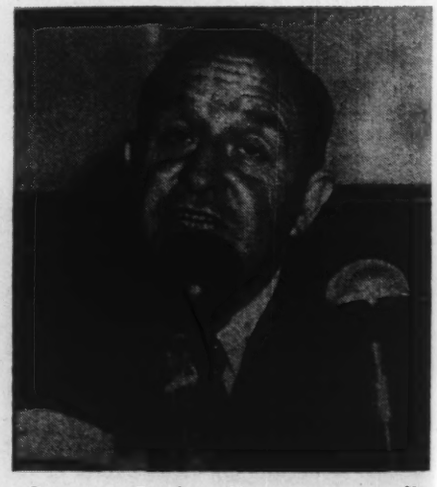
What would emerge if Mr. Hoffa had this basic constitutional rights allowed him by the committee, and if he were able to present his own case, examine the witnesses brought to testify against him and his organization, and present witnesses of his own? Senator McClellan knows perfectly well that the teamsters came to be a tough union dominated by semi-criminal elements because the employers fought unionism to the last ditch and beyond, with spies, stool pigeons, goon squads and the blacklist which would make a union man unemployable from one end of the country to the other. The employers drove all the straight unionists out of the business and broke them.

The rank and file got nowhere until criminal elements rougher and tougher than the employers' goon squads came into the unions under the leadership of the Becks and the Hoffas. The fantastic Kohler strike which still goes on, and in the troubled waters of which the committee took a brief dip a year ago, shows that if the unions abandoned their cadres of tough eggs, they would be left defenceless, and that the employers would immediately resume their old bar on organized labor as if Allgeld were still governor of Illinois and the good old 19th century had never come to an end.

At the hearings, Hoffa's hatred of Senator McClellan has emerged as a deeply felt passion. It is easy to write it off as the crook's hatred of the law, but it has a more creditable source in an honest man's dislike of dishonesty. The word "honest" is here used in its Elizabethan sense. Mr. Hoffa might prefer to live in an ideal world, but he knows that he has to live in one in which violence, trickery and fraud exist, and he is honest about the shifts which actualities force upon him. Senator McClellan knows just as much, but he prefers to pretend that only wicked men depart from the straight and narrow path, and that Mr. Hoffa could have dealt with the neanderthalers who run the trucking and transport systems by appealing to their better natures.

It, the combined act of Mr. Kennedy and Senator McClellan, with supporting cast of morally outraged senators, would have been one of the most richly comic displays of sanctimonious humbug which the great Republic had ever achieved but for one thing—its demonstration of circusmaster McClellan's profound contempt for the law, for individual rights, and common decency. On September 17th, Mr. McClellan had one of his conniption fits of moral outrage. Pierre Salinger, an investigator hired by the committee, immune from cross-examination and immune from rebuttal by defence witnesses, read some highly dubious material into the record purporting to show that 56.2% of the votes cast when Hoffa was elected to leadership of the union, were illegal under the terms of the union's own constitution. At this, Senator McClellan took off and was soon soaring on a great column of his own hot air in the direction of the stratosphere of hypocrisy. Here, he trumpeted, was something monstrous—Mr. Hoffa was treating the constitution as a mere "scrap of paper"! The proceedings at the Union Congress had been "simply a travesty of disenfranchisement of the members".

There was no way for anyone to ask Senator McClellan at that point, how many negroes vote in Arkansas, or how many negros voted in Governor Faubus's plebiscite on the question of integration. This sort of thing would be laughable were it not an example of the corrosive cynicism which undermines and destroys a democracy, by destroying its belief in its own reality. It is very hard for anyone who has to listen much to Senator McClellan, to believe that the language of principle has any meaning left whatever, or that the United States stands for anything beyond deceit, fraud and sanctimonious humbug.



*Governor Faubus: How many voted?*

# Chess

*by D. M. LeDain*

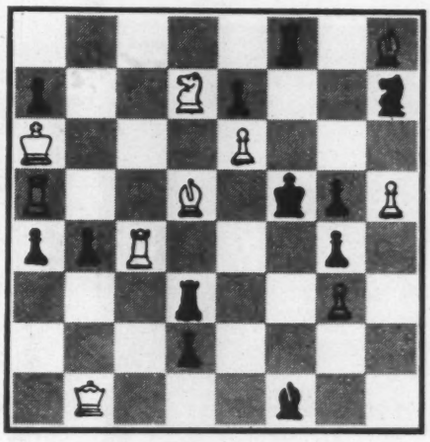
IN DR. FEODOR BOHATIRCHUK, of Ottawa, Canada has a player with the unique distinction of having defeated world champion Mikhail Botvinnik three times and drawn twice in five games played. This happened in Russian tourneys before the Doctor settled in Canada in 1949. Among the elite of Russian masters, his main interest, however, was and is in medical research, and he resented attempts to force him to give more time to the chess training program. World War II offered a chance to escape. He is now working on cancer research for the Government. He played for Canada in the World Team Championship at Amsterdam, 1954.

White: Dr. F. Bohatirchuk, Black: Norcia (Italy).

1. P-K4, P-K4; 2. Kt-KB3, Kt-QB3; 3. B-Kt5, B-B4; 4. P-B3, Kt-B3; 5. P-Q3, Q-K2; 6. Castles, Castles; 7. P-Q4, B-Q3; 8. R-K1, Kt-K1; 9. QKt-Q2, Kt-Q1; 10. Kt-B1, P-KB3; 11. B-B4ch, Kt-B2; 12. Kt-Kt3, P-KKt3; 13. B-KR6, Kt-Kt2; 14. Kt-R4, PxP; 15. Q-Kt4, BxKt; 16. KtxP!, Resigns.

**Solution of Problem No. 203**
Key, 1. Kt-Kt5ch, RxKt; 2. R-B6ch.

**Problem No. 204,** by H. E. Riley, Queen Charlotte City, B.C.
White mates in two. (10 + 12)



# Puzzler

*by J. A. H. Hunter*

BILL SMILED as his wife turned out her bag angrily. "You drag me here to buy expensive paving stones, and then you don't know what quantity you need," he said. "Can't you remember?"

"Of course not." Betty shook her head. "That's why I wrote it down. But I do know the paved area was to be exactly seven times some number." She paused. "Anyway it was some number over fifty. In square feet, that is."

"Helpful, if you hadn't forgotten that number too." Her husband chuckled. "I'll tell you something. The bit of lawn is just twenty-three feet by twenty-nine, and that's more than half the whole area."

"Then I only need to pave what's left," said Betty. "You're so smart, you can figure it out yourself."

The paved patio was to be square, with the stones laid out around the grass. But what was the key number Betty had forgotten? (86)

*Answer on page 54.*

# Averse to Verse?

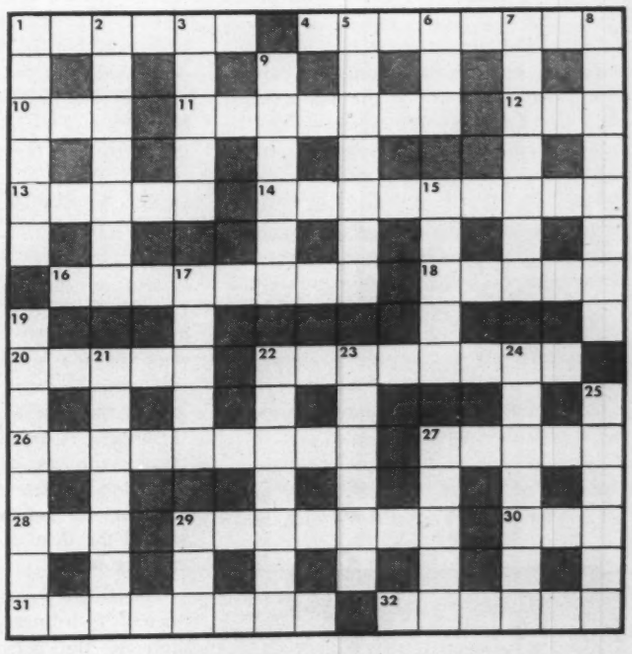
*By Louis and Dorothy Crerar*

ACROSS

1, 4. See 32
10 Yet you'll never see a teetotaller without one! (3)
11 A famous actress 'as t' risk being so. (7)
12 This party goes to pot, no doubt. (3)
13 Round steak. (5)
14 Stratford's river is subjected to this in 19. (9)
16 His rest was disturbed when the alarm sounded inside. (8)
18 Type of car from which — (5)
20 — one can see this mountain range. (5)
22 Not a sleeping-bag, though it sounds like one. (8)
26 Even a mere agent can come to what some great powers cannot reach. (9)
27 A form of punishment for back parts? (5)
28 13 wrote one to a nightingale. (3)
29 Fatty is a dope! (7)
30 Lie around in Hawaii. (3)
31 He's always sticking his long nose into the colonies. (3-5)
32, 4, 1, 5. Did 13 express in these words what collectors of objets d'art feel? (1, 5, 2, 6, 2, 1, 3, 7)

DOWN

1 Sounds like a small hotel's receipts for the day. (6)
2 That tractor the god of thunder deserted. (7)
3 Where my caravan has rested? (5)
5 See 32
6 Where to find the color of 11. (3)
7 While he remains so, the murderer can't say "Well, I'll be hanged!" (7)
8 Longing to start 1959, perhaps. (8)
9 Looking forward to something? (6)
15 The river also does this in 19. (see clue 14) (5)
17 The path to the "hitching-post"? (5)
19 A man of affairs. (8)
21 Said to be just before dawn. (7)
22 Roy took to vice in Turkey, to get the Turkish equivalent. (7)
23 Something doing, no doubt. (6)
24 Italian who composed for violins, or celli for a change. (7)
25 Time of the year when Pippa passed. (6)
27 The smell of money? (5)
29 Khan you guess this? (3)



**Solution to last puzzle**

ACROSS

1, 22, 33. If the cap fits, wear it.
6, 3. The Mad Hatter
9 Foot
10 Pea
11, 25. Panama Hattie
12 Shoe
13 Padua
14, 17. Body heat
15, 24. Hat-box
17 See 14
18 Shells
20 Stench
22 See 1
24 See 15
26 Once
27 Genii
28 Arch
30 Finish
31 Ell
32 Tips
33 See 1
34 Sixpenny

DOWN

2 Froth
3 See 6A
4 Cap-a-pie
5 Plaudit
6 Top hats
7 Ennobles
8 Armadillo
16 Attentive
19 Interior
21 High-hat
22 Fingers
23 Triplex
25 See 11
29 Capon (453)

# Records

*by William Krehm*

**Songs of Kurt Weill.** Catherine Sauvage, Christiane Legrand, les Quatre Barbus, Yves Robert, With orchestra under Franck Aussman. *Epic LC 3489.*

FROM THE DENSE despair of Germany after the First World War Kurt Weill minted a very special coin. His *Threepenny Opera* resounded with honky-tonk pianos and was peopled with pimps and cut-throats: in it morality drooped low like the hose of some two-bit tart. It was a powerful affirmation of the human will to live and love even on a dunghill. At the distance of three decades it sheds more light on the origins of Nazism than many a fat professorial tome.

When Hitler came to power Weill fled first to France and then to America, continuing his career en route. The present record offers a sampling not only of the original German works — *Threepenny Opera* and *Mahagony*—but from some of the others written after he had become a whopping commercial success. None of these later works are in the same league with his German masterpieces. For in these he had not only written hit tunes, but vented the spiritual miasmas of an epoch.

On the disc the songs are done in French. In some instances this represents little more than an essay in translation. But as handled by the great *chanteuse* Catherine Sauvage the result is immeasurably greater. With her smoky voice, and her Gallic insinuativeness, she has thrown a new bridge across the Rhine. An exceptional record. Sound good.

**The Play of Daniel.** A 12th-century musical drama. New York Pro Musica under Noah Greenberg with Russell Oberlin, Braydon Lewis, Betty Wilson, and Charles Bressler. *Decca DL 9402.*

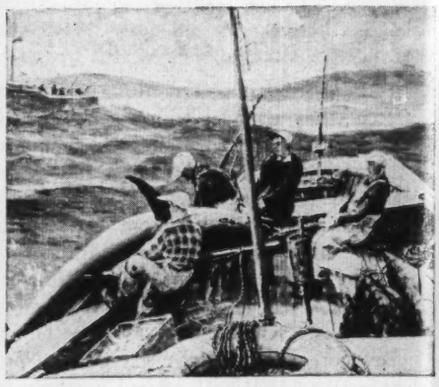
New York's most sensational dramatic revival last season took place not on Broadway but in The Cloisters, the Medieval Section of the Metropolitan Museum of Art. There Noah Greenberg and his New York Pro Musica staged what was probably the first production since the Middle Ages of The Play of Daniel, written by the students of Beauvais in the 12th century.

A staggering amount of work was needed in order to reconstruct the drama. For the manuscript in the British Museum gives nothing but the Latin text and the pitch of the single vocal part. Rhythm and instrumentation had to be recreated in the spirit of a dimly distant age. But Greenberg is an old hand at this sort of thing. With the collaboration of ranking scholars in the field and of Lincoln Kirstein, he achieved a production that whisks the dust of ages from a vital and exciting work.

The single vocal line is enriched with ancient instruments belonging approximately to the period—the rebec, psaltry, bells, recorders, vielle, miniature bagpipes. The artistry of the Greenberg group is as superb as ever. Sound excellent.

**Ibert:** Concertino da Camera. Daniel Deffayet, Saxophone. Ports of Call (Escales). Debussy-Ravel: Danse Orchestra des Concerts Lamoureux with Jean Fournier, conductor. *Epic LC 3478.*

Lovers of the saxophone will cherish the Ibert Concertino in which that brazen-

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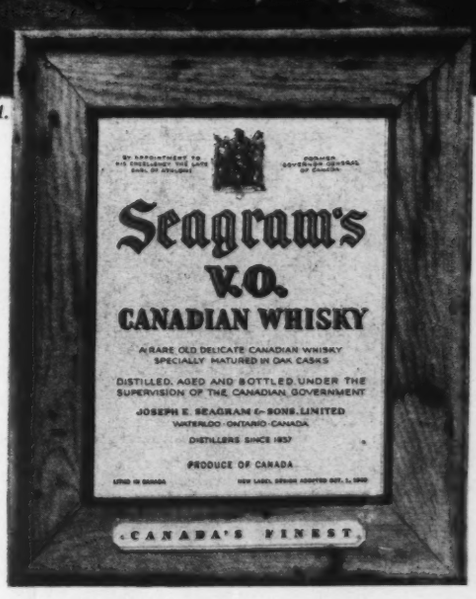


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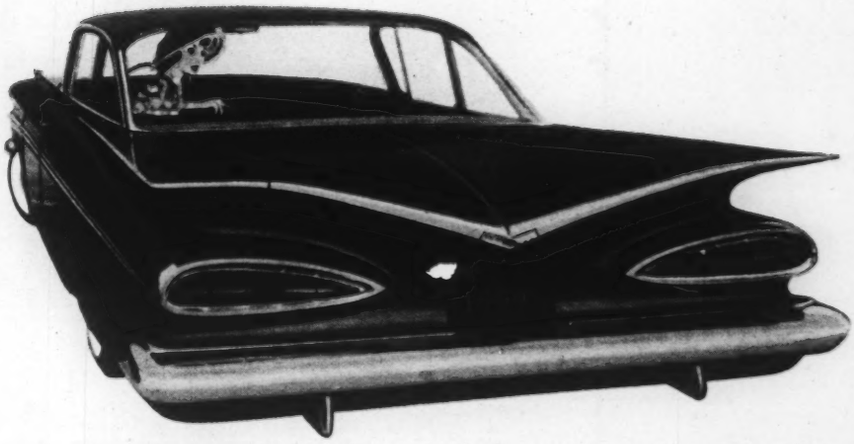

*Rear view of the new Bel Air 2-Door Sedan—*
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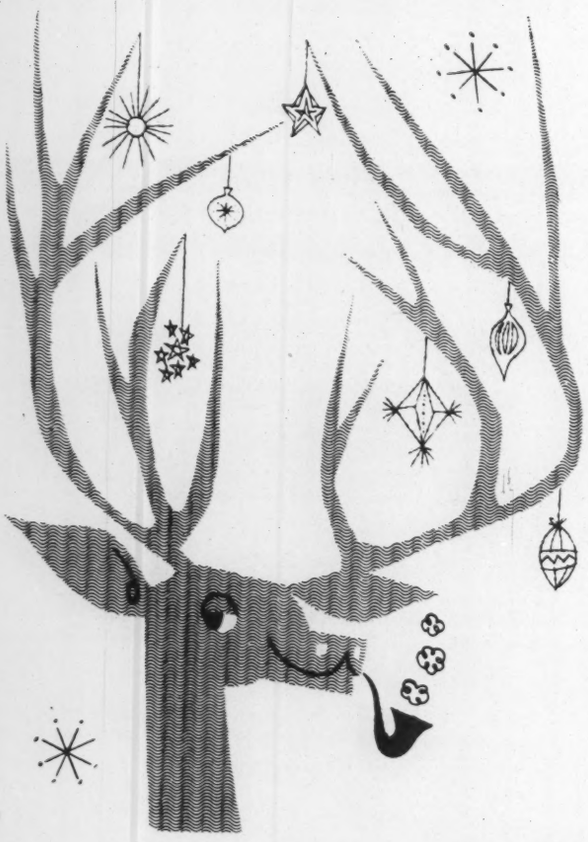

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throated hussy is restored to the category of a lady. And Daniel Deffayet, the Saxophone soloist, treats her with a quite flamboyant chivalry. Ibert's better known *Escales* is a scintillating bit of easel-work, spoiled only by being hung alongside a Ravel arrangement of a small Debussy item. For even in this miniature the touch of the master impressionists is unmistakable, and reminds us of the chasm that divides talent from genius. Sound good.

**Grieg:** Concerto in A Minor for Piano and Orchestra, Op. 16. **Rachmaninoff:** Rhapsody on a Theme of Paginini, Op. 43. Philippe Entremont, pianist, with the Philadelphia Orchestra under Eugene Ormandy. *Columbia ML 5282.*

The cloven theme of Paganini's 24th Caprice has haunted many composers, but Rachmaninoff it quite transformed. In his other works there is little of the diabolic about Rachmaninoff: he is a sentimental composer with a rather syrupy lyricism as his trademark. But here the treacle is laced with brimstone.

First the theme flies before us dismembered—eye of newt and toe of frog; and when the hell-broth starts to boil and bubble, unholy visions arise from its vapors. He has his sport with the Dies Irae. And when towards the end he suddenly stands the Paganini theme on its head and it turns out to be the purest Rachmaninoff, that only goes to prove the theory of predestination that the Calvinist theologians, wise in the ways of the devil, did so much arguing about.

Entremont, a young French pianist of great part, tosses the work off with a casual brilliance. The Grieg, sounding tamer than ever in this unshriven company, is given a sympathetic reading. Recording good.

**Haydn: Symphony** No. 100 in G. (Military). Symphony No. 101 (The Clock). London Symphony Orchestra under Antal Dorati. *Mercury MG 50155.*

Two of Haydn's great London symphonies done by Dorati with format and luster. Recording good.

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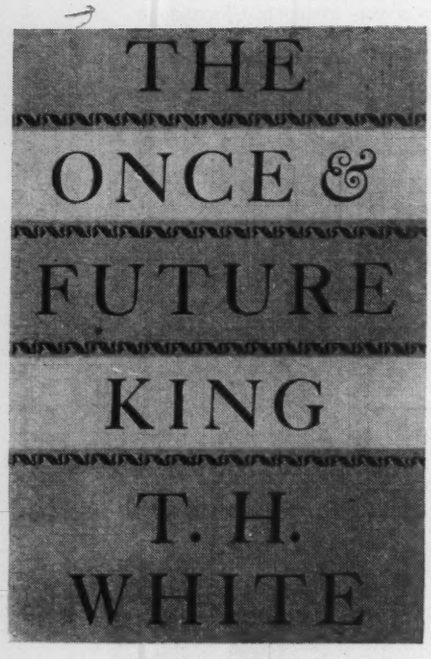
# Books

*by Robertson Davies*




*Jacket Design*

# The Matter of Britain

**"One of those rare books in which some people will exult and to which they will recur with pleasure . . . Few readers will not respond to some of its magic."**

THE LEGENDS TELLING of King Arthur and his Round table, called by Sir Thomas Malory "the matter of Britain" have provided poets with inspiration, and scholars with pemmican, for three hundred years. The latest man to delve in this rich and inexhaustible mine is T. H. White, who four novels on the subject have now been issued in a single book called *The Once And Future King.*

It is a splendid achievement, which will interest everybody, but is unlikely to satisfy anybody who is concerned with the Arthurian legend, for no single work can do that. The Welsh do not like English Malory's great discursion on the subject, and the French do not like the Welsh notion of Arthur; the Irish have their own ideas, and so do the Bretons. The nations concerned with Arthur have all arranged his story in the manner most congenial to themselves. Mr. White has given us an Arthur whose story provides comment on the twentieth century, as well as on the Age of Chivalry. He has done a fine job, for one man, but no one man will ever encompass Arthur.

Mr. White knows this better than most, for he is steeped in Arthurian scholarship and the philosophy of chivalry; he has personal experience of matters like falconry which give him special insight into the Middle Ages. In writing of Arthur he has allowed himself the utmost freedom; anything that interests him in the past five centuries is hinted at, or commented upon directly. He has brought Arthur forward in time from the mists of the fifth century (when, just possibly, a Celtic leader of Roman sympathies tried to defend Britain against her invaders) into a period subsequent to the Norman Conquest. He has thrown the high seriousness of Malory out of the window, bringing some elements of his story into the realm of farce. He has had a thoroughly good time with Arthur, and he gives his readers a good time, as well. His assault upon the great legend is like Peer Gynt's attempt to vanquish the Great Boyg; there is no way through it, so he is forced to go around it.

**There is little coherence** to the Arthurian material. Arthur himself is the greatest of chivalrous leaders, but he was the issue of a treacherous rape, and he begets two bastards, one of whom is the son of his half-sister Morgause; Arthur is made a cuckold by his most trusted knight, Lancelot, and dies at last at the hand of his illegitimate son Mordred. In the chivalrous atmosphere of the Table Round a surprising number of maidens are ravished, still others are put to public shame because they are traitors, and the greatest knight of all, has a distressing fit of madness, and is debarred from seeing the Holy Grail because he is an adulterer.

The professions of chivalry are deeply moving, but the instances of bad faith and malice are numerous and sickening. Tennyson was only able to shape this legend to his purpose by utterly falsifying it. From behind the pageantry and tapestry-like romance of the story peep the gang-warfare of Celtic clans, and the bloody lubricities of mythology. Mr. White has made no attempt to bring coherence to this fascinating welter, and has been content to cast a curious and beautiful light of his own upon it.

The most successful part of the book, in my opinion, is still the first section, called *The Sword in the Stone;* somewhat re-written and expanded, it is the wonderful story of Arthur's boyhood, tutored by Merlin to know the forest, and the life of the animal world. Mr. White's Merlin is an oddly farcical invention, far from the grim shaper of circumstance we meet in Malory; it is a wonderful inspiration to attribute Merlin's remarkable knowledge to the fact that he lives backward in time, and is thus always coming from events which have yet to happen. Arthur's metamorphoses into a fish, a hawk and a badger are high among the best things in the book.

The second section, formerly called *The Witch in the Wood,* but now *The Queen of Air and Darkness,* tells of Queen Morgause of Orkney, and her neglected, passionate sons, including that Mordred who was Arthur's child and fated enemy. Lacking the sunny passages of the first part, this gives us a dark sense of an archaic, Celtic world, in which pity had no being; Mr. White's insight into the Celtic mind is fitful but penetrating; its treachery and deviousness are wonderfully explored, but he does not seem to understand or sympathize with the high and almost lunatic notion of honour, and the childish proneness to heartache, which go with it.

**The third book,** *The Ill-Made Knight,* is the story of Lancelot, and good as it is in its way I think it the least successful of the three. The last book, *The Candle in the Wind,* tells of the death of Arthur, of Lancelot and of Guenevere, all victims of the ideal of honour based on justice, which was itself the death of chivalry.

Chivalry was a system of behaviour possible only among equals, and even the world of knight errantry provided few exact equals. To be a knight was to be a member of a large club, where everybody has a place, and where all the rules are known. It is true that knighthood was also a mystical state, involving special

ideals and duties, but in the age of chivalry there were no more people capable of understanding and acting upon a mystical ideal than there are today. So it was a club, and if anybody broke a rule, you could break another rule and kill him; women were sacred, but sacred is as sacred does, and when a woman made a false step she was likely to be dealt with in the harshest fashion; the rules of the club were always at odds with Christianity and the facts of life.

Of course most people did not belong to the club at all; they were churls, and one hundred per cent expendable. Democratic enthusiasts today who cannot find high enough praise for Magna Carta (which came when knight errantry was in its death-throes) ought to examine the document and discover how few people in England it actually benefited; it was for club-members only. One of Mr. White's finest strokes of irony is to make Arthur's humane ideals the death of himself and those he loved best.

We are left wondering whether ideals which exact so much are truly humane. When Shakespeare makes Henry V say "nice customs curtsy to great kings", he not only speaks truth, but his psychology is sound; we do not like a great man to fall victim to a rigid system which makes no allowance for special circumstances. Between the club concept of society, and this rigid justice there must be some decent middle ground. But that is the bittersweet end of Mr. White's book, which is not a tragedy, but a reflection of that formless injustice which is commoner, and harder to bear, in life.

**You may wish, as** I did, to refresh your recollection of Malory after reading Mr. White, and the best text in which to do that is Eugene Vinaver's, brought out by the Oxford Press in 1954. Malory gives us the greatness of Arthur, graced with some touches of lesser humanity; Mr. White gives us an Arthur who is all humanity, with a touch of greatness. His King Pellinore is out of an Aldwych farce; his King Palomides is a Christy minstrel, a sort of golliwog; his Merlin inspires no awe.

These oddities are not inadvertent; Mr. White means them to be as he has drawn them, for purposes of his own. The result is one of those rare books in which some people will exult, and to which they will recur with pleasure for a lifetime. There will be few readers who will not respond to some of its magic. But Arthur has not been brought back from the grave. And that, after all, was not to be expected, for his time is not yet.

**The Once and Future King,** by T. H. White—pp. 667—*Collins—$5.50*

**The Works of Sir Thomas Malory,** edited by Eugene Vinaver—pp. 919—*Oxford—$4.25*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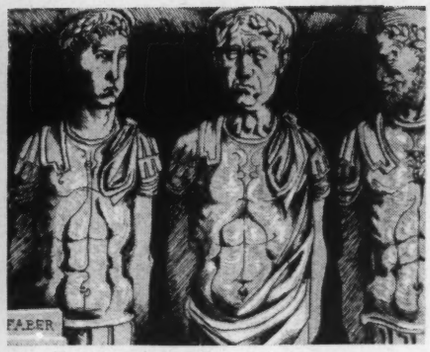


*Jacket "Three's Company".*

## Middleman

**Three's Company,** by Alfred Duggan—pp. 286—*British Books—$3.50.*

ALFRED DUGGAN is that rare thing—a historical novelist who is not a romancer. His novels have such a down-to-earth realism about them that the reader is convinced that this is exactly the way it must have been. Events which happened in ages past are given the immediacy and documentation of the best modern news reporting.

*Three's Company* tells the story of Lepidus, third member of the triumvirate that took the power in the Roman world after the assassination of Julius Caesar. Shakespeare has Mark Antony dismiss Lepidus as a "slight, unmeritable man", but Mr. Duggan sees him as holding, however uneasily, the balance of power between Octavius and Antony. He is not quite sure how he managed to get himself into this ticklish spot, but being there, Lepidus is determined to carry it out to the limits of his own idea of what is proper to one of the family Aemilii.

A patrician by birth, a praetor by election, Pontifex Maximus by default, so sure of his family position, such a stickler for form, so hesitant in the field, so rich that no one ever thought of offering him a bribe, Lepidus is anything but the popular conception of a proper hero for the historical novel. He is by turns pathetic, comic, foolish, ludicrous and occasionally valiant. His story is an astonishing recreation of one of the better known and certainly most turbulent periods of ancient history. F.A.R.

## Passed to You

**Bull And Brass,** by John Foley—pp. 168 —*British Book Service—$3.00.*

AFTER THIRTEEN YEARS' service in the British Army, Captain John Foley was posted to the War Office where he immediately discovered that such underlings as himself must use the side door. The front door of that august building is reserved for General Officers and Under-

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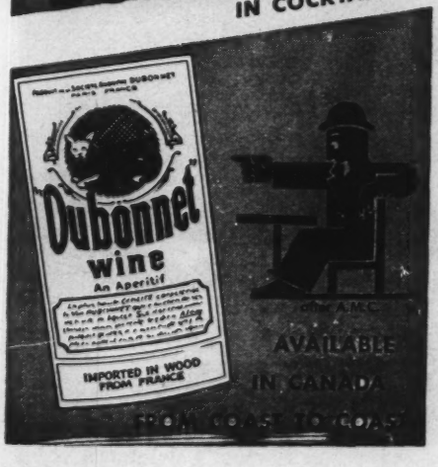



Secretaries. When Major Foley left the Army after four years in the War Office, he took his departure capriciously via the Field Marshal's office and the Main Entrance as a last bullish gesture towards the brass.

A sense of humour and an equable disposition must be an invaluable asset to anyone whose fate includes snipping or sniping at red tape in the War Office. Major Foley apparently enjoyed the blend of lavender and high explosive which was the special atmosphere of the civilian secretaries, the game of military musical chairs played at a higher altitude, and the spectacle of the Treasury making up its mind, "a process not unlike the mixing of concrete".

This quiet book gives away no high secrets, but confines itself to anecdotes about human nature in its relation to the military machine. Anyone who has ever been irked by bureaucracy will appreciate it. M.A.H.

## Current Voices

**Anthologie De La Poesie Canadienne Française**—Edited by Guy Sylvestre—pp. 293, index—*Beauchemin—$2.50.*

FOLLOWING at a relatively short interval the volume of French-Canadian poetry edited by Dr. Laure Rièse, is this new collection by the parliamentary librarian which is surprisingly different in emphasis, and therefore complementary. The stress on present poets is probably due both to the editor's taste and to his proximity to his subjects. French-Canadian poets now writing are not all convinced of the glory of being anthologized.

M. Sylvestre has written a masterly introductory essay which relates French-Canadian poetry both to its sources and to contemporary parallels in English-speaking Canada and the United States, and which gives a fair estimate of its present importance. Readers of Canadian poetry will enjoy this anthology. M.A.H.

## Books Received

**Islandia** (Austin Tappan Wright)—*Clarke, Irwin—$5.95.*

**Nabokov's Dozen** (Vladimir Nabokov)—*Doubleday—$4.00.*

**Our Friend James Joyce** (Mary & Padriac Colum)—*Doubleday—$4.00.*

**Irrational Man** (William Barrett—*Doubleday—$5.75.*

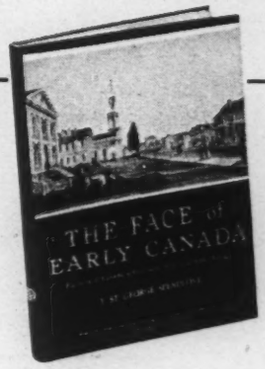
**The Side Door** (Dora Hood)—Ryerson—*$4.95.*

**A Canadian Looks at the U.S.S.R.** (G. A. Jupp)—*Exposition Press—$2.50.*

**Nor Scrip Nor Shoes** (John H. McGoey)—*Little, Brown—$4.50.*

**Portrait of Peter West** (Suzanne Butler)—*Little, Brown—$4.50.*

**Husband for Victoria** (Vaughan Wilkins)—*Clarke, Irwin—$3.25.*

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# The Lively Arts

*by Mary Lowrey Ross*

# "Spread It Thin"

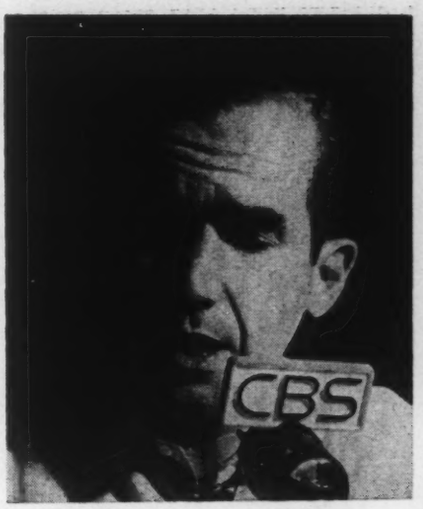
"REMEMBER, you can't spread it too thin" the editor of a popular weekly used to warn his writers a generation ago. It was sound advice, and he had the circulation figures to prove it. The public wasn't looking for revelation, at five cents a copy. It didn't want to be served weekly with solid chunks of truth and significance. It wanted the world it knew, or maybe hoped for, revealed weekly under a semi-transparent glaze of newsprint. Then when the lines began to waver and run together it wanted a paper it could snooze under comfortably for the rest of the evening.

The spread-it-thin policy works equally well for mass-circulation and mass-entertainment. As a rule the vast television audience becomes restless and uneasy with any intrusion of the immediate on the living-room screen. During the Lebanon crisis, for instance the studios were flooded with protests from televiewers who found their afternoon soap operas superseded by the televised proceedings in the United Nations. We have been trained to accept relaxation as the goal of entertainment, and the Middle East was a disturbing intrusion.

Sponsors from the first were quick to recognize the value of the familiar and the sedative and no doubt this is why certain half-hour programs—"December Bride", "Ozzie and Harriet", "Father Knows Best", etc., etc—keep going round and round as hypnotically as a hula hoop and with almost as little variation in the performance. The long summer lapses, in which sponsors have a chance to reassess their positions, usually leave things pretty much as they were. The summer of '58 was a season of major sensations, including the ruckus created by the alleged fixing of quiz shows. But by fall everything was proceeding as usual, including the quiz shows.

There were rumors of coming alterations on "Person to Person" but they proved to be unfounded. This time we were taken on a personally conducted tour of the Bel Air home of comedian Jerry Lewis—up and down the endless stairs and corridors, into the vast Lewis library (which seemed to consist largely of finely bound scrap-books commemorating the Lewis career) then back, as usual to the living room, where the four small well-rehearsed Lewises obediently chanted "Good-evening Mr. Murrow", to the phantom electronically suspended outside the living-room window. Nothing had altered. "Person to Person" still remains the most popular and celebrated rubberneck tour of America.

Most of these programs are triumphs in the art of spreading everything as thin as possible. It still seems worth while to turn them on, and, once they are on, hardly worth while to turn them off again. It's odd, certainly, that this precarious margin of interest can keep a program going for years on end. Paradoxically, the larger part of the energy that drives the television industry, keeping thousands of actors, writers, producers, sponsors and technicians busy and happy, seems to be based almost entirely on human inertia.




*Edward Murrow: A "Small World".*

There are, to be sure occasional crises that help to keep a program interesting. In the opening "Person to Person" program the sound suddenly failed leaving the captain of the Nautilus gesturing mutely at the end of a long perspective while Ed Murrow, still vocal, rather desperately adlibbed to fill in the gaping soundtrack. Then the opening program of "Front Page Challenge" presented as its mystery-guest Randolph Churchill who is always ready to provide the element of consternation on any program venturesome enough to present him.

The mystery-event selected was the Teheran Conference at which Mr. Churchill was present as an observer. The guest seemed a little unsure of his geography and he was obviously irritated at finding himself, once more, in the shadow of his tremendous parent. None of this did the program any harm however; for it seems to be a sound rule for television that, while most of us prefer to avoid the convulsions of world events, we enjoy watching the discomfiture of individuals. As it turned out, the guest had worked off most of his indignation before going on the air and the program passed without incident.

The season promises more Westerns, more spectaculars, more quiz shows—apparently on the basis that while it may be fun to know it's more fun to be fooled —together with the long list of programs that have managed to resist displacement or change over the years.

It is probably significant that Edward Murrow has replaced "See It Now" with a program entitled "Small World". The delayed newsreel approach, in other words, has been superseded by the intimate interview and "Small World" will present the Person to Person approach "in depth". This follows the general trend of reducing the general, and ominous, to the personal and chatty. It promises to be good popular entertainment.

*Randolph Churchill and Fred Davis: All quiet on the air.*

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## Rayrock

*Is the operation of Rayrock Mines' uranium property satisfactory? — B.D., Calgary.*

Projected output of Rayrock Mines for the fiscal year ending October 31, is close to the $2,600,000 forecast earlier. Operating profit is estimated at $825,000 against a forecase of $675,000. Projection is based on operations for the 10 months to and including August 1958. Grade of ore to the mill averaged $66.50 per ton and operating costs, including royalties and bank interest, for the 10 months averaged $42.50.

Rayrock has no funded debt and has cut its cash loan to $400,000. Supplies on hand have a value of $575,000.

The company's mill performance ranks with the best in the uranium industry. Recovery is excellent at 97% and acid consumption is low at 38.5 lbs per ton of ore treated.

Mining continues to present problems. The complex ore occurrence demands an excessive amount of development work and a large number of working places. Mill tonnage is consequently below capacity and indications are that this condition will continue for some time yet. Daily mill rate has been in the range of 100-120 tons and will average about 108 tons daily for the current year.

An extensive development program is under way and will be continued at an accelerated rate for the next several months. Objective is to provide and maintain sufficient working places to step up the mill rate to 130-150 tons daily. A large percentage of the operating costs is fixed and this would mean a substantial reduction in cost and a corresponding increase in profit per ton at the higher milling rate.

## De Courcey-Brewis

*Would you up-to-date a veteran reader of your helpful columns on Brewis Red Lake?—B.M., Port Arthur.*

Brewis Red Lake was reorganized as De Coursey-Brewis Minerals, basis one new for eight old shares.

DeCoursey has been operating the Red Devil Mercury mine in Alaska but plans another look at its original gold property in the Red Lake camp, which adjoins the New Dickenson mine. Geological work will probably be followed by surface diamond drilling.

The Red Devil Mercury Mine in Alaska now appears to be on a profitable basis. The operating company commenced repayment of the considerable advances that have been put up by De Coursey-Brewis.

The Red Devil mercury mine has since entering production in 1956 turned out a total of 10,014 flasks (761,084 lbs). Of this, 9,694 flasks have been sold for a total of $2,323,397. As of July 31, 320 flasks were held in inventory.

The open mercury market in New York has been firm at around $240 per flask, versus the $225 floor price guaranteed by the U.S. Government.

The Red Devil has been showing an operating profit of around $50,000 monthly, with sufficient ore developed to maintain this rate for eight to 10 months, mine officials report.

De Coursey has outstanding 3.8 million shares.

## Nickel Mining

*Is Nickel Mining & Smelting operating? If not, when will it?—I.C., Halifax.*

Nickel Mining and Smelting (formerly Eastern Mining and Smelting) hopes to resume work on the Gordon Lake property as soon as economic conditions permit. The Chicoutimi project is also being retained in the hope that it can be reactivated when the metal outlook improves. The company had planned to make metals at Chicoutimi.

Development of the Gordon Lake property ceased earlier this year due to the company's inability to obtain senior financing in the light of surplus of nickel and a tight money market. Cancellation charges of smelter equipment contracts form the chief financial burden of the company. An agreement has been reached with creditors to delay payment of debts totalling $1,792,360 for two years.

Reserves at the Gordon Lake property are shown at 3,458,000 tons averaging 1.2% nickel and 0.61% copper and combined platinum group metals 0.22 oz. per ton, by A. Robertson, vice-president and managing director.

As a result of extensive tests, a flow-

sheet for the treatment of ore has been devised and plans for the concentrator were drawn up. The treatment of ore and the recovery of nickel, copper and the platinum group metals offer no special problems that would preclude production of these metals on a profitable basis when marketed under normal economic conditions.

## Dominion Electrohome

*Dominion Electrohome Co. Ltd. stock has been recommended to me and I would like your comments on the same.—J.H., Toronto.*

Dominion Electrohome shares, of which there are 105,247 outstanding, have been selling around $15 a share. This is approximately five times the average earnings for the last three years. Senior to the common or capital stock is $1,000,000 debentures. The common paid dividends of 20 cents, 55 cents and 50 cents a share in 1955, 1956 and 1957 respectively and had an estimated equity of $20 a share at the end of 1957.

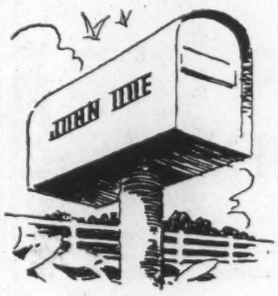
Electrohome is an important manufacturer of TV and radio sets as well as furniture, small electric motors, industrial electronics and many other lines. Dollar sales have increased to more than $14.5 million a year versus $3.9 million in 1949. The company enjoys about 10% of the overall TV-set market in Canada, 12% of the console TV-set market, 15% of the combined market for TV, HI-FI and radio sets. Its share of the mantel and portable-radio market in Canada is between 9% and 10%.

Net income for the four months ended April 30, 1958 totalled almost $100,000 versus $15,000 in the corresponding period of the previous year. Net profits were $320,000 or $3.07 a share for the full 12 months of 1957. It might be noted that the company's major products enjoy a particularly high demand in latter part of the year. Orders on hand at April 30, 1958, totalled $4.6 million versus $3.8 million a year earlier.

## Hollinger

*I am thinking of investing in Hollinger Consolidated for its gold-mining possibilities but would like some confirmation from you as to the worthwhileness of this company as an investment vehicle.—J.G., Quebec City.*

Hollinger's future lies less in gold mining than in iron-ore mining and shipping. The iron phase of the operation (via interests in other companies) became productive only four years ago but should expand through the years as the American steel industry realizes its anticipated growth. A factor of major importance to iron-ore shipment from Quebec-Labrador, where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the company's iron interests are located, is the prospective operation of the St. Lawrence Seaway. This will throw the rich markets around the Great Lakes open to Labrador ore via deep-draught ships with lower shipping costs.

Hollinger in its 1957 report consolidated its iron-ore interests with its own direct activities. Net profit for 1957 was $7.8 million, equal to $1.58 a share.

Hollinger owns 60% of Hollinger North Shore. The latter holds 10% of the issued stock of Iron Ore Co. of Canada. Hollinger also owns 51% of Labrador Mining & Exploration, holder of an iron concession and a 6.7% interest in Iron Ore Co. The latter is an iron-ore shipper.

Since Hollinger dividends are only 48 cents a share, the yield is quite low at recent price of $25. Iron-ore shipments from Labrador for this year are estimated at nine million tons versus 13 million tons in 1957. Earlier estimates had looked to nine and a half million tons going out this year.

Hollinger North Shore and Labrador Mining & Exploration are expected conjunctly to ship one million to one and a half million tons for 1958.

This year's decline in shipments largely reflects reduced demand from overseas markets, for which little improvement is expected over the short term. But U.S. orders have been holding up well and could improve with the increased tempo of basic steel production. The U.S. mills entered 1958 fairly well stocked with ore but have had a chance to bite into their inventories. In consequence prospects for 1959 do not look too dull.

Hollinger has a strong liquid position.

## John Wood Dividend

*As a shareholder of John Wood "A" stock I was quite disappointed in the passing of the dividend for the last quarter. What have you to say to the comments of a Toronto financial house that directors in passing the dividend "showed little regard for the 'A' shareholders" in view of the strong financial position of the company?—H.C., Toronto.*

Admittedly the amount which would have been required to pay the quarterly dividend on the "A" shares is small in relation to the John Wood's retained earnings and working capital position, which has been previously noted in these columns. Since there are only 177,312 shares of "A" stock outstanding the dividend for the full year at $1.60 a share would have required only $301,299, for the quarter $75,324. Working capital at the end of 1957 totalled $11.5 million.

An explanatory letter from directors regarding the passing of the dividend says that the recovery in the volume of sales in the products sold by the company has not been as fast as expected. Operations for the month of August showed a small

profit whereas July showed a loss (shutdown due to vacations). June showed a profit. But profits for the two months did not equal the losses for the other months of 1958.

Directors admitted that surplus position would have permitted declaration of dividends on "A" and "B" stock but deferred this because of the rather large outstanding current bank loans. These loans amounted to $2,500,000, a reduction of $1,250,000 from the high of the current year.

It might be noted that the financial house which criticized the dividend action stated that it retained a measure of confidence in John Wood directors. It simply thought their action in deferring a dividend in the face of results for the full year of 1958 not being known was premature.

## Castle-Trethewey

*How long is the Castle-Trethewey silver mine likely to last?—F.B., Vancouver.*

While Castle-Trethewey's outside assets outweigh its silver mine in assessing the importance of the company's future, it is a pleasure to be able to relate that the outlook for the silver property in the Gowganda area has brightened somewhat.

Castle a year ago looked to be almost through minewise. But the ore picture is now considerably brighter. Exploration located a new vein system earlier this year and subsequent development work is substantiating the hopes held for it.

The new ore has enabled milling at capacity rate of 80 tons a day since the operation was resumed in June. Grade is running about the 40-oz.-per-ton average of the mine. Milling is suspended each year in December but if tonnage and grade hold up the mine should by freezeup establish a record equal to the 691,850 oz. of silver reported for 1957.

Known as 44, 45, 56 and 47, the veins representing the new system were found in an exploratory drive about a mile south of the Capital shaft and about a quarter mile southeast of the locale of most of the previous ore mined. The new ore structure has been opened only on the 1125 horizon but will be followed up during the winter.

Once again the truth of the old adage "A good mine dies hard" has been proven.

## North Rankin

*What results did North Rankin obtain from last summer's operation?—M.H., Victoria.*

Production last season was at record rate at North Rankin Nickel Mines. The property is at Rankin Inlet, N.W.T. on the west shore of Hudson Bay.

Officials estimated that by the end of the summer shipping season, North Rankin would ship to the Sherritt Gordon refinery at Fort Saskatchewan more than


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5,100,000 lbs of nickel and 1,200,000 lbs of copper contained in concentrates. This is about 600,000 lbs of nickel more than the highest estimate of the company earlier this year.

Calculating its earnings on the basis of 35c per lb. of nickel and 10c per lb. of copper, North Rankin expected an operating profit of $750,000 on concentrates produced and to be shipped out before the end of the summer shipping season. This would be after fixed charges and debenture interest.

Although the contract under which Sherritt Gordon purchased the Rankin output envisaged only 4,000,000 to 4,500,000 lbs of nickel, no difficulties are anticipated on the sale of the additional concentrates.

The high rate of production is being attributed to the smooth and efficient working of the mine and the high grade of mill heads.

## Advocate Mines

*Has Advocate Mines any chance of getting into operation?—J.K., Ottawa.*

Advocate's latest developments could bring its Newfoundland property into production. Most of the effort to date in developing the 1,570-sq. mile concession has been centred on the Baie Verte asbestos deposit. Four evaluations of the orebody made by different engineers and geologists place the estimated tonnage between 22,120,000 tons averaging $10.25 per ton and 30,986,000 tons averaging $7.02 per ton, depending on the cut-off.

## New Mylamaque

*How would you rate the outlook for the New Mylamaque iron project?—C.D., London.*

Speculative. The property is, however, well located, being only 32 miles from Kingston, Ont. Thus, it should enjoy favorable labor and supply situations and this might help it.

## Calumet Uranium

*Why doesn't Calumet Uranium do something with its big bank roll?—M.R., Winnipeg.*

Calumet Uranium intends to do further exploration of promising prospects as conditions warrant.

The company's uranium-thorium prospect, comprising 2,828 acres in Pontiac Twp., Quebec, is being maintained in good standing. Diamond drilling up to August 1956 indicated some mineralized zones with an estimated grade of 0.08% uranium oxide and 0.29% thorium oxide. Under present market conditions this grade does not appear to be economic, although an increase in the demand for thorium in the future might classify the mineralized zones as ore.

The balance sheet at December 31, 1957, shows current assets of $273,205 including a guaranteed cash deposit of $267,964. Current liabilities amounted to $707.

The company has an authorized capitalization of 5,000,000 shares of which 4,774,017 were issued.

## Giant Mascot

*Is Giant Mascot operating?—S.L., Windsor.*

Giant Mascot Mines is reportedly producing 50 tons of refined barite daily at its concentrator at Spillimacheen, B.C. Recovery of barite is approximately half the tonnage of the residue treated in the flotation barite plant. It is reported that production will soon be doubled.

Giant Mascot's contract calls for the recovery of the product and shipping to McPhail Engineering Co. of Tacoma, Wash., which will dry, size, and bag the end product for marketing.


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## In Brief

*Has Brownlee Gold Mines Ltd. stock any value?—S.B., Windsor.*

Succeeded by Brownlee Mines Ltd. three new for five old, latter in turn succeeded by Brownlee Mines (1956) Ltd. one new for five old. Brownlee Mines (1956 renamed Joliet-Quebec Mines Ltd., transfer agent Prudential Trust Co., Toronto and Montreal).

*What's going to happen to Cournor Mining?—M.C., Quebec City.*

Transferring assets to a new company in which it will hold shares, with other shares being held by East Sullivan and Sullivan Cons.

*What is the status of O.K. Mines Ltd.?—W.H., Toronto.*

B.C. government K.O.'d its charter in 1946.

*Osisko ever get a winner yet?—L.T., Niagara Falls.*

Not yet but still hoping.

*Has Report Red Lake Gold reported in lately?—D.J., Hamilton.*

Charter reportedly cancelled in 1952.

*Has Rubec Mines Ltd. any value?—M.K., Montreal.*

Assets liquidated, apparently no equity for shareholders.


**THE CANADIAN BANK OF COMMERCE**

***Dividend No. 287***

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending October 31, 1958, payable at the Bank and its branches on November 1, 1958, to shareholders of record at the close of business on September 30, 1958.

By Order of the Board

J. P. R. Wadsworth,
General Manager

Toronto, August 28, 1958



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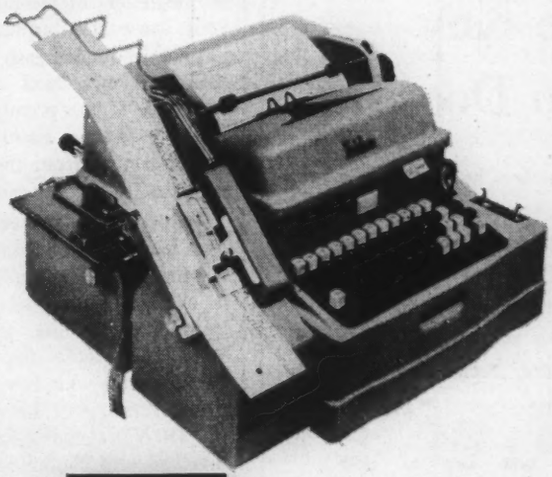

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## LOBLAW COMPANIES LIMITED

Notice is hereby given that a dividend for quarter ending November 30, 1958, has been declared on the capital stock of the Company as follows:

| | |
|---|---|
| Preferred Shares Cumulative Redeemable | 60 cents per share |
| Class "A" Shares | 10 cents per share |
| Class "B" Shares | 10 cents per share |

The dividend will be payable December 1, 1958, to shareholders of record at close of business on the 5th day of November, 1958. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, September 30, 1958.

## LOBLAW GROCETERIAS CO., LIMITED

Notice is hereby given that a dividend for quarter ending November 30, 1958, has been declared on the Capital stock of the Company as follows:

| | |
|---|---|
| First Preference Shares, Cumulative Redeemable, Series "A" | 37½ cents per share |
| Second Preference Shares | 54 cents per share |
| Common Shares | 54 cents per share |

The dividend will be payable December 1, 1958, to shareholders of record at close of business on the 5th day of November, 1958 The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, September 30, 1958.

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# Insurance

*by William Sclater*

## Beginning at Six

*Your article on insuring children was of much interest to me. I have a boy age 6. What kind of policy would you suggest I take out for him? What I have in mind is a policy he can take over when he is able and continue the premium payment after he starts to work perhaps. I can afford a reasonable annual premium—J.P., Brandon.*

May I suggest you consider one of the modern lifetime insurance contracts. These have many advantages, including that of a fixed premium rate all through life. They build up cash values and, as participating policies, pile up dividend income, which is quite substantial these days.

For example I quote one Juvenile life plan now being offered by one of our largest and most reputable life insurance companies in Canada. Suppose you took it out for your son, now age 6, for an initial sum insured of $2,000. What the policy does is to provide, on and after the increase date, for a sum insured that is equal to five times the initial sum insured. In other words in 15 years time, at the beginning of the policy year closest to your son's 21st birthday, the policy will automatically increase to $10,000 from then on and there will be no extra premium. If the premium when you take it out is $89 per annum, that will be the premium rate from then on. It does not increase.

But look what you've done for your boy. You have a policy which can be borrowed on for his education if necessary. What is even more important is that he has insurability for life, through this policy. What is possibly the biggest advantage of all is that your boy, if he lets the dividends acrue, will have a paid-up policy for $10,000 at the age of 37, if the present dividend rate continues. He can of course go on building the policy up by continuing premium payment. What a wonderful gift for any parent to give a boy at a cost of $89 a year.

## Short on Life

*While I have considerable savings in Savings Bond Pension Plan and Annuity, I feel I am short on life insurance. Do you think I would be wise to transfer part of my savings bonds into a paid-up life insurance policy. Also what would be the cost per $1,000 of paid-up life coverage for a male at 32 years—C.F.F., Vancouver.*

While I can advise you only from general principles, I think you would be doing an intelligent thing to put some money into paid-up life insurance at your age. It gives an immediate and substantial growth to your estate, which may be important in your circumstances. For a cost of approximately $299 at your age you can buy a $1,000 unit of paid-up, non-participating life insurance. That is good value and something that is always worth while having behind you for several good reasons, not the least of which is your credit position. A paid-up policy is the best of security. I do recommend it.

## Before Marriage

*At present I am a bachelor, in my early thirties, working in a sedentary occupation and in good health. Since I do not always expect to be a bachelor I think this would be a good time to take out some insurance. What would it cost? While I have a fair salary I do not want to be paying a premium every year till I die. I'd like to know it will be paid-up sometime—K.R., Peterborough.*

There will never be a better time for you to take out insurance. To begin with I'd suggest you consider something like a dividend participating life insurance policy for $10,000. The premium will be about $185 per year at your present age. By the time you reach 60, if you let the dividends accumulate, your policy will have a cash value of about $4,250 plus, if present dividend rates continue, another $1,900 from dividends. You will also be close to the 31 year mark, after which the policy will carry itself, without further premium payment, if you so wish and you have left the dividends as I suggest.

## Limits on Children

*What are the present statutory life insurance limits on children? Were they not revised some years ago and is there not good reason why they should be revised again?—L.B., Sarnia*

So many of our readers have drawn our attention to the revised statutory life limits on children, effective in all provinces except Quebec, that we are glad to quote these, with our thanks.

The limits now in force are: $200 for death before age one year; $400 for death between one year and two years of age; $600 for death between two and three

years of age; $800 for death between three and four years of age; $1,000 if the child dies after age four but before reaching age 5. There are no limits obtaining over the 5th birthday.

While there is considerable comment on the advisability of removing or further revising of the limits there is nothing official. One reason which might influence a further revision is the great reduction in the infant mortality rate. One correspondent points out, as another factor, "the absence of criminal intent for murdering new-born babies". There are many considerations involved.

## Annuity Costs

*I am under 35 years of age. Could you give me some idea what it would cost to purchase an insurance annuity with a single payment now and no more to pay. I have come into some unexpected capital and am minded to buy myself an annuity to start at age 65.—J.A., Trenton.*

Starting to think about supplementing that old age pension is always a good idea. If you are age 30 it will cost you approximately $2,345 to buy a monthly annuity of $50 at age 65 with a single payment. If you are 35 years old it will cost you $2,784. This is for an annuity for life, from 65, with payment for 10 years guaranteed, in case you die before 70 after you start to draw it.

## Contract Protection

*My company operates an airport but I am concerned because if we had to suspend operations because of fire or other insurable damage, we could lose contracts which we now have for storage, training and other services. Would this come under Business Interruption insurance?—L.K., Calgary.*

No it wouldn't. If your contract was cancelled it wouldn't resume when you resumed operations. There is no set form for writing this coverage but your general agent should be able to arrange a floater policy to protect you against contract cancellation in such circumstances, written to meet your particular requirement.

## Outside Hospitalization

*I am a salesman. Suppose I am taken ill in British Columbia. Who pays for my hospital bill if I am covered under the Ontario Hospital Plan?—D.J., Huntsville.*

The Ontario Hospital Commission is responsible for you in the event of a sudden illness or, as a result of an accident, you are hospitalized in another province—but only to the extent of similar care in a comparable hospital in Ontario.

# Who will look after Erika... where will she go?

***This is Erika aged 4. She lives with her aged, broken grandmother. They have known only loneliness and despair. Her parents, driven from their native Estonia, met in a forced labor camp in Germany. Here Erika was born. Broken in health and spirit, her parents died in anguish for the safety of their beloved child. With little more hope than at the beginning, and in spite of utter misery, Erika and her grandmother fled into the Western Zone, driven by a fierce longing for home and roots. Home has been a DP barracks, cold, bare and damp. To them all is lost. There is no chance to emigrate. How long can her sick grandmother look after Erika . . . where will she go?***

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# Your Taxes

*by Garfield P. Smith, CA*

## Tax and Telephone Bills

INCOME TAX may seem entirely unrelated to your telephone bill, but when the tax is payable by the Bell Telephone Company, then the telephone rates are affected by it. As a rule, public utilities are operated as a monopoly either by private interests, or by some public authority.

In normal business enterprises, the price of the products or services sold is kept from rising unduly by competition. As this competition does not exist in a monopoly utility, then the price must be regulated by some public authority. In the case of the Bell Telephone Company, the public authority is the Board of Transport Commissioners.

The public utility must be permitted to set its rates high enough to provide for the expenses of the company, and to allow a reasonable return to its investors. Sometimes arbitrary provisions have to be made in determining the charges which may be made against the company's operations. In order to avoid the adjustment of rates up and down each year as the profits of the utility fluctuate, it is quite common to permit the utility to operate appropriate reserves under the strict supervision of the governing authority. For example, the utility may be permitted to set up a reserve for replacements and repairs. The amounts credited to this reserve, and charged to operations each year could be fairly constant. The actual expenditures would fluctuate from year to year, however as these would be charged against the reserve and not against income, there would be no wide fluctuation in profits resulting from repairs and replacements.

**In determining** the profits available for shareholders, Bell Telephone felt justified in providing a reserve for future income taxes. The reason that such a reserve was considered necessary is due to the capital cost allowance now provided under the Federal income tax regulations. Since 1949, depreciation could be claimed at a much higher rate in the early years. For example, ordinary machinery and equipment could be written off at the rate of 10% per annum over a period of 10 years. Under the new regulations, the rate is 20% per annum, but the rate applies to the reducing balance. The accompanying schedule shows the deductions

| *Year* | | *Old Straight Line Method 10%* | *Present Diminishing Method 20%* | *Decrease or (-Increase in Taxable Income* | *Savings or (-Increase) in Tax (47%)* |
|---|---|---|---|---|---|
| | Cost | $10,000,000 | $10,000,000 | | |
| 1. | Allowance | 1,000,000 | 2,000,000 | $1,000,000 | $470,000 |
| | Balance | 9,000,000 | 8,000,000 | | |
| 2. | Allowance | 1,000,000 | 1,600,000 | 600,000 | 282,000 |
| | Balance | 8,000,000 | 6,400,000 | | |
| 3. | Allowance | 1,000,000 | 1,280,000 | 280,000 | 131,600 |
| | Balance | 7,000,000 | 5,120,000 | | |
| 4. | Allowance | 1,000,000 | 1,024,000 | 24,000 | 11,280 |
| | Balance | 6,000,000 | 4,096,000 | | |
| 5. | Allowance | 1,000,000 | 819,200 | (-180,800) | (-84,976) |
| | Balance | 5,000,000 | 3,276,800 | | |
| 6. | Allowance | 1,000,000 | 655,360 | (-344,640) | (161,981) |
| | Balance | 4,000,000 | 2,621,440 | | |
| 7. | Allowance | 1,000,000 | 524,288 | (-475,712) | (-233,585) |
| | Balance | 3,000,000 | 2,097,152 | | |
| 8. | Allowance | 1,000,000 | 419,430 | (-580,570) | (-272,868) |
| | Balance | 2,000,000 | 1,677,722 | | |
| 9. | Allowance | 1,000,000 | 335,544 | (-664,456) | (-312,294) |
| | Balance | 1,000,000 | 1,342,178 | | |
| 10. | Allowance | 1,000,000 | 268,436 | (-731,564) | (-343,835) |
| | Balance | — | 1,073,742 | | |
| 11. | Allowance | — | 214,748 | 214,748 | 100,932 |
| | Balance | — | 858,994 | | |
| 12. | Allowance | — | 171,799 | 171,799 | 80,746 |
| | Balance | — | 687,195 | | |

which may be claimed under the old and new methods, and the resultant differences in Federal income tax each year. No adjustment has been made for Provincial income taxes.

**From this schedule,** it is apparent that under the diminishing balance method there is a substantial tax advantage in the first year which gradually decreases until a point is reached where there is an increase in taxation. The increase becomes greater in each year until a point is reached when there is a decrease in taxation which diminishes in each subsequent year. The reason for this is that under the straight line method of depreciation, the asset is completely written off after a definite number of years. Machinery ordinarily, will be written off after ten years. Under the diminishing balance method, there is theoretically no end, so that deductions from income can be continued long after the asset would have been written off under the straight line method.

The tax reduction in the early years is therefore, not really a saving in tax, but merely a deferment of tax, because the tax saved in the early years will have to be paid out in the subsequent years.

When Bell Telephone made representation for rate increases, it had claimed a reserve for future taxes as a deduction in arriving at the net profit available for shareholders. The Board of Transport Commissioners agreed with the Company's reasoning and awarded rate increases to it. The increases never came into effect however, as the Government of Canada overruled the findings of the Board. The Government felt that the tax equalization reserves were not expenses because of the uncertainty as to whether and when such reserves would be needed for payment of taxes in future years.

**In a growing business,** the tax reserve may never be required, because in each year there will be substantial additions to plant and equipment. The heavy write-offs allowed on the new assets will generally off-set the additional tax which would arise from depreciable assets acquired in earlier years. It may have been for this reason that the Government overruled the findings of the Board of Transport Commissioners.

One interesting observation resulting from the Bell Telephone hearings, is that it has clearly demonstrated how income taxes levied against corporations are ultimately paid by the consumer.

## Donations

*What deduction may be made for income tax purposes in respect of church collections and donations?—Mrs. J. M., Thornton, Ont.*

Donations of up to 10% of net income may be claimed providing receipts for such donations are submitted with the tax return.

*Tips on towing? The interested landlubber is one of the Royal Bank's Halifax managers getting a "close-up" on the tug-boating business.*

# Banker goes to "see"!

Here he's learning about his customer's business at first hand. Of course, visits like this won't make him an expert tug-boat operator; but they do give him a closer insight into the workings of the company — new knowledge that will be translated into a more informed banking service.

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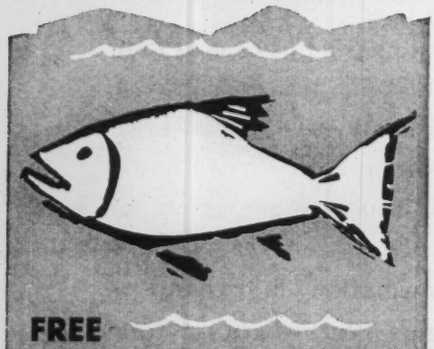

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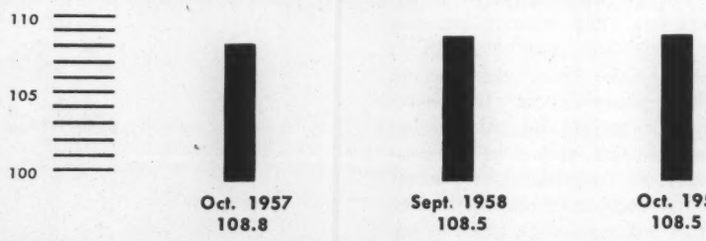
# Saturday Night Business Index for October




*(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)*

| Indicator Table | Unit | Latest Month | Previous Month | Year Ago |
|---|---|---|---|---|
| Index of industrial Production (Seasonally Adjusted) ▶ | 1935-39 = 100 | 279.2 | 280.3 | 285.1 |
| Retail Trade ▶ | $ millions | 1,253 | 1,268 | 1,222 |
| Total Labour Income (Seasonally Adjusted) ▶ | $ millions | 1,317 | 1,312 | 1,295 |
| Consumer Price Index ▶ | 1949=100 | 125.6 | 125.2 | 123.3 |
| Wholesale Price Index of Industrial Materials ▶ | 1935-39 = 100 | 229.0 | 229.0 | 236.8 |
| Inventory, Manufacturing Industry (Held & Owned) ▶ | $ millions | 4,588 | 4,631 | 4,793 |
| New Orders, Manufacturing Industry ▶ | $ millions | 1,860 | 1,809 | 1,788 |
| Cheques Cashed, 52 Centers ▶ | $ millions | 19,766 | 19,776 | 19,160 |
| Imports for Consumption ▶ | $ millions | 389.1 | 433.5 | 471.3 |
| Export, domestic ▶ | $ millions | 416.0 | 421.7 | 437.4 |
| Contract Awards (MacLean Building Reports) ▶ | $ millions | 317.2 | 321.2 | 218.0 |
| Work Week in Manufacturing ▶ | hrs./week | 40.4 | 40.5 | 40.5 |

Most of latest figures are preliminary ones

## *by Maurice Hecht*

LATEST GROSS NATIONAL Product figures, the value of goods and services producd in Canada, confirm the firming of the economy.

Seasonally adjusted at annual rates, this second-quarter figure was $32,248 million. First quarter figure was $31,-684 million; in 1957 the total was $31,443 million. Much of the gain is inflation, but the new figure does show that the depression is on its way into history.

Our ascent is definite if not spectacular. Right now we are stalling, but a new move is coming. Part of the stall is due to strikes, part to other economic forces. Our index of industrial production has been in the same spot for several months.

Non-farm employment is above a year ago, though total employment is still slightly down. Trouble is we have grown since last year and there are more workers.

Manufacturing inventories continue to decrease while new orders show small steady improvement. Residential construction continues its lusty growth giving the economy its biggest single boost. For the first nine months contract awards were up 74 per cent. It was 20 per cent for all construction. Retail sales are up slightly in dollars. There is money in the bank, credit totals are low so the sales outlook is good. In external trade we just chalked up the first export surplus this year. This was for August. It was the first one shown since 1954 in a month other than December.

In general, this is a quiet period in our climb back up. But it is undoubtedly only a pause.

# Items

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matters for the U.N., e.g. Cyprus and Algeria.

The Special Political Committee (formerly the ad hoc Committee but now a permanent Main Committee) will have before it the Charter Amendments question including proposals for increasing the number of members on the Security Council and the number of votes in its proceedings required as a result; increasing the membership of the Economic and Social Council and the number of judges of the International Court of Justice; some parts of the Economic and Social Council's own report; South Africa's treatment of peoples of Indian origin and the perennial South African question resulting from apartheid policies; the Report of the U.N. Relief and Works Agency for Palestine Refugees; UNEF; and, generally, measures "to promote peaceful and neighbourly relations among states."

**This division of work** between the First Committee and the Special Political Committee is explained by the excessive load of political questions on the Assembly's agenda and the need for two instruments of debate to divide the tasks. In the main, however, the First Committee retains the great political questions, particularly those of an acute or immediate urgency.

The other committees are the Second (Economic), the Third (Social), the Fourth (Trusteeship and Non-Self-Governing Territories), the Fifth (Budgetary and Administrative Questions), and the Sixth (Legal). These neat compartments tend to overlap on some issues where, for example, economic development in the Second Committee is of great concern to the Fourth Committee (Trusteeship) where the growth of "retarded" trust and non-selfgoverning areas may be a reason for relating more rapid measures for their development to programs of principal concern to the Second Committee. Similarly, the Human Rights Problem given to the Third Committee often involve important technical legal questions which may become of direct or indirect interest to the Sixth Committee.

**One of the reasons** the Assembly takes so much manpower from member states sending delegations is the need to service these seven Main Committees and many a small country may find it very difficult to meet the technical and debating requirements for effective representation on every committee.

How demanding are some of the subjects—apart from the major and minor political challenges referred to above—will be evident from a quick view of their principal items. The Second Committee, for example, is dealing with the establishment of the new Special Fund of 100 million dollars for economic developmental projects; technical assistance questions in general; some important proposals dealing with international tax problems; a new experiment in establishing an International Administrative Service to provide "operational" advice or executive action for the public services in underdeveloped countries; economic assistance to Libya as well as Korea where the U.N. Korean Reconstruction Agency still performs functions. Among these one of the most striking is the impending creation of the International Administration Service which has a large Canadian component in its underlying ideas. For Mr. H. L. Keenleyside, the Director General of the Technical Assistance Administration and Mr. Hammarskjold were among the pioneers in thinking out this conception. Regrettably, Canadian support for it at the last Economic and Social Council meetings left much to be desired and it can only be hoped that in future Canada will be more responsive to novel proposals in this field of intrinsic merit, than it often has been in the past.

In the Third Committee, on social affairs, such hardy perennials are to be found as: the proposed Covenants of Human Rights, the Secretary General's Report concerning the proposed draft on Freedom of Information; self-determination problems. So far, after many years, the Human Rights Conventions have been moving glacially along the "legislative" road with Article I of each covenant adopted along with a few substantive articles of the covenant of economic social and cultural rights, leaving for the present Assembly all of the substantive articles on civil and and political rights as well as, for both covenants, their "measures of implementation" and "final causes." No one expects any more speed at this session than heretofore.

**At the same time** important progress has been made in the field of Human Rights supervision through a program of periodic reports from member states, through a new emphasis on a progressive criminal law and procedure for member states, particularly with reference to freedom from arbitrary arrests, detention and exile. And, finally, there is the new development of seminars and advisory services where the emphasis will be on raising the whole technical level in the administration of public and criminal law touching Human Rights in all member states. Regrettably, the Canadian contribution to the Human Rights discussions in the Third Committee, until recently, at least, has been unimpressive although one or two of the officials in the Department of External Affairs now concerned with these matters are slowly redressing the balance. This is all the more unhappy when it is remembered that it is a Canadian, Dr. John Humphrey, who has been the senior official in charge of the program since 1946, and also that the quality of Canadian scholarship in this field has been high, notably in the writings of Professors F. R. Scott and Bora Laskin, as well as some valuable individual contributions from the practising bar and national organizations such as the Canadian Jewish Congress and the Canadian Bar Association.

**In the Fourth Committee** there is the quite remarkable picture of the so-called "colonial masters," submitting themselves quite humbly to a review of their trusts and their imperial control to the eye of at least a few states whose present internal standards of social and political development hardly fits them to sit in judgment. The Committee will discuss the future of Togoland under French administration; it will examine the information submitted by member states concerning social, economic and educational opportunities in their non-selfgoverning territories; it will hear two reports dealing with South West Africa and will study the legal action necessary to insure that South Africa fulfills its obligations as a "Mandatory Power;" it will consider the frontier between the trust territory of Somaliland and Ethiopia and will deal with the controversial question of renewing the Committee on Information from Non-Selfgoverning Territories. This latter Committee has been a source of irritation to member states with colonies or dependencies and there is some question as to how far the Committee's claims for information have been excessive and gone beyond its "proper" jurisdiction.

In the Fifth Committee, budgetary and administrative matters are dealt with in great detail. It is aided by a subsidiary body which reports to it, namely the Advisory Committee on Administrative and Bulgetary Questions and any member of the Secretariat who has had to appear before this Committee is aware how "watchdog" are its standards—almost comparable in vigour with the traditional penny-wise, hard-fisted procedures of the Treasury Board in Ottawa.

**The Committee this year,** as in all sessions, examines the budgets not only of the U.N. itself but of all the special funds and agencies responsible to the Assembly. In addition, however, it supervises contributions of member states, the scale of assessments, the U.N. Joint Staff Pension Fund, administrative and budgetary coordination between the U.N. and the Specialized Agencies, the control and limitations of documentation to reduce the sheer volume of paper, personnel questions, public information activities of the U.N. and the cost problems of the U.N. Emergency Force. It is sometimes forgotten how modest are the financial demands of the Organization. The amount budgeted for 1958 was $55,062,850 to which was added other income of $3,250,000 for the regular needs of the Organization. Of course, UNEF, the Children's Fund, Palestine Refugees, the Korean Reconstruction Agency and the

U.N. Refugee Fund, all have their own special budgets. At the same time, each of the Specialized Agencies has its own budget voted on by its own governing body. The total of these regular and special budgets in the whole U.N. family, including UNEF and Technical Assistance, probably does not exceed $225,000,000 to $250,000,000—confining these amounts to their actual operational expenditures. This is altogether quite apart from loans made by the World Bank or the developmental grants now soon to be made under the Special Fund.

What is also not fully understood is that the Fifth Committee keeps a sharp eye out for the welfare of its growing international civil service. This is particularly necessary as a result of the acrimonious debate in 1952/53 that arose from Mr. Lie's suspension of a number of United States nationals employed by the Secretariat on the grounds that they had behaved in some manner incompatible with their role as civil servants. In most of these cases the issues arose out of allegations of Communist party membership or affiliation. The bitter debate led to a revision of the staff regulations, to hearings before the U.N. Administrative Tribunal and, finally, to an important decision of the World Court limiting the powers of the Assembly to repudiate a decision of the Tribunal.

It is one of the more striking ironies in this amoebic movement of mankind towards world order that all the great documents—the Charter today, the Covenant yesterday—dealing with peace and security should talk about "law", while the actual role of law in this Organization tends to be marginal, at least so far as this may be measured by the activity in the Sixth Committee. On its agenda for the present session there are only a few serious questions: one dealing with technical problems of arbitral procedures as proposed by the International Law Commission (a body set up in 1948 by the Assembly to help codify and develop International Law); second, the question of initiating a study dealing with the legal position of historical waters, including historic bays, e.g. Hudson's Bay and the Bay of Fundy; and, finally, whether the U.N. should convene a second conference on the Law of the Sea to settle matters that remained unresolved by the great conference in Geneva last March and April. For though the Geneva meetings led to four conventions they failed to find a common international approach to the width of the territorial sea—with all of the consequences and uncertainty now dramatized by the dispute between Iceland and the United Kingdom.

How is it that legal methods play so peripheral a role in the activities of an organization designed ultimately as a constitutional framework for mankind and all states? The truth is—and the Canadian attitude demonstrates the sad fact—that at the present stage of the world's tensions and political organization the great questions cannot be resolved by juridical means because the absence of mutual trust between the two "camps" and elsewhere forbids placing vital issues in the hands of third parties when alliance and negotiation may assure a higher dividend. Yet whatever is done by way of agreements and policies, sponsored and sometimes implemented by the U.N., this is all done within the framework of some legal techniques because these alone can assure the regularization of procedures to carry on the work of the international community. And so while law today may not be the encompassing mother, she is at least the hand-maiden of this beginning world order whose agenda, like a man's reach, should be, and today is, beyond its grasp.

# Professional

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professional standards.

Turning from facts to suppositions, one now asks the question: How many of those teachers with minimum qualifications go on to do extra work either at university or in other fields. This is not easy to answer. The fact that there are no reliable figures for it (how could there be figures for much of what this means?) allows the pundits and the irresponsible critics to make startling allegations. One such alarmist was Dr. Hilda Neatby in her still well-circulated book, *So Little for the Mind*. If we are to believe Dr. Neatby, the number of elementary school teachers who go on to delve further into the studies which they teach is small. Directors of extension courses at Canadian universities might not agree with Dr. Neatby. Summer school classes either put on by the departments of education themselves or by independent universities are well attended and one can assume from this that the better teachers are very concerned about their professional standing.

As for depth of knowledge, then, when we look at some of the textbooks written by teachers and some of the contributions to magazines of one kind or another, particularly those magazines of their own organizations, there can be an honest difference of opinion between the hypercritical and the euphoric. But by and large the responsible and serious-minded teacher is doing his best to consolidate his present knowledge and extend it.

When we consider breadth of knowledge and a teacher's standing in the community, we are again in the realm of supposition and assumption, not of fact. But with the development of home and school associations and the close liaison which these associations have established between the teacher and the parent, a new status for teachers is emerging. It is still not that unqualified respect which was given to the earlier itinerant school masters who did so well in mitigating the ignorance amongst the children of Canada's early settlers. It is still far from the respect accorded to the school master in Goldsmith's *Deserted Village*, whom, you will remember, the locals thought of with wonder "that one small head could carry all he knew". But the acceptance of the teacher's role in a democratic society as one of importance is growing.

Partly this is due to the teachers themselves, of course—teachers such as Douglas Fisher who left his school room to defeat C. D. Howe for the Port Arthur federal seat in Parliament, and Solon Low, who felt no loss of prestige in returning to the class room after being for 13 years the leader of the Social Credit party at Ottawa.

It is in the tangible rewards offered by society that the teacher has been made to feel his unprofessional standing most acutely. Over the past 10 years we have paid our teachers abominably little and have expected them, with almost no status, either financial or social, to give us what other professionals only give when very adequately rewarded. What doctor or engineer, even starting on his career, would have given more than a cursory glance at an assistant professorship which in 1950 started at $3,000 a year? And what man with a university degree could feel a sense of real missionary devotion to teaching when he was being paid $2400 to teach for seven hours a day, with the marking of exercises taking up much of the night?

But even in this regard a change is apparent. School teachers who are properly qualified can now expect a just remuneration. Salaries range from $2000 in the poorer parts of the country to $8000 in the metropolitan centres. Principals can expect $10,000 plus in cities of 40,000 population or so, and professorships at the senior level now start at $12,000 in some universities.

This economic recognition of the teachers will bring in its train other professional achievements by the teachers themselves. A man who is making enough money from his job to live well can invest that job with dignity. Furthermore, since the salaries have risen, the people earning them will become jealous of them and will exert their professional rights over people coming into the profession. In other words, though we are still a long way in Canada from a teaching profession which sets its own standards and administers its own discipline, as the professional engineers, lawyers and doctors do, we are going in that direction. Proof of this is seen in the recent establishment of a Canadian College of Teachers, sponsored by the Canadian Teachers' Federation.

To qualify for membership in the college, an applicant must have a permanent teaching certificate of any province of Canada, hold a degree from a university or

qualifications considered as an acceptable alternative, have had at least five years successful teaching experience after obtaining a permanent certificate, and be in artive service in the teaching or administration of an educational system. The president of the College's first Council, Professor D. C. Munroe, of McGill University, has said that he expects the college, like the College of Physicians and Surgeons or the Bar Association, to define and interpret the work and status of a teacher in contemporary society.

**Not only will the creation** of such a college set a standard for the teaching profession, it will also, it is hoped, counter the somewhat discriminatory tactics which have been reverted to by some teachers' associations in the past year or two by which they have blacklisted certain Boards of Education, struck against others, and generally behaved more like artisans than professionals. But the education of Canada's next generation is not a rule-of-thumb propostion. It must be intensively studied, adequately planned for and brilliantly carried through. And only a group of professional teachers from coast to coast can do all three things.

# Massey

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In fact, Massey's marriage offer last year—on a share-exchange-plus-cash basis —was greeted with cries of "blackmail" and "smash-and-grab", and subsequently was withdrawn. The dispute was revived again this year with another controversial offer, and there appeared to be every sign that the boards of the two companies were colliding head-on. Since July things have been allowed to simmer down and interest has been focused elsewhere.

Tender feelings have no place in business, however, when the chips are down, and the facts show clearly enough that each company is vital to the other.

Standard, which owns what is believed to be the largest tractor plant in the world, builds the Ferguson line of tractors for distribution by Massey-Ferguson in all markets except France and, to some extent, South America. These markets account for the bulk of Massey's total sales.

In addition Standard has a 50% interest in Standard-Hotchkiss, now the largest agricultural tractor manufacturer in France. It also has plants in India and Australia. Massey also has an interest in Standard-Hotchkiss.

The company's business is split roughly 50-50 between tractors and cars. It is probably the smallest of the U.K.'s "Big Five" but is a substantial exporter, enjoying particular success in the North American market with its TR sports cars.

In turn, Massey-Ferguson is not only Standard's largest customer but also its largest single shareholder, with a 24% holding.

Under the present arrangement, however, there is a good deal of duplication of effort on the part of the two companies. They own manufacturing facilities independently of each other in Britain, France and India while there is an overlapping of interests in the Australian market.

It was to eliminate this duplication of effort that a policy of closer co-operation on design, engineering, administration and capital requirements has long been approved by the boards of the two companies. And this policy makes it more than likely that another stock take-over may be slated for the not-too-distant future.

The first attempt failed allegedly, because the share exchange proposal put too low a valuation on Standard stock. At that time, too, Massey-Ferguson was undergoing house-cleaning operations under a newly installed regime.

**Recently, however,** as Massey's new management has secured a firmer grasp on operations, the company's sales and profit picture has improved considerably and this has been reflected in the market action of Massey-Ferguson stock. A high for the year of $10⅛ was reached recently, compared with a year's low of $5⅞. Since Standard stock has not appreciated likewise, a renewal of the terms of Massey's offer of last year would now be extremely enticing to Standard shareholders.

Nevertheless, the puzzle remains: how did this unholy alliance emerge? A good deal of the trouble stems from the fact that Standard's original agreement concerning the manufacture of Ferguson tractors was made long before Ferguson merged with Massey-Harris. Standard in fact has been building Ferguson tractors since shortly after the war, while the Massey-Harris-Ferguson union didn't take place until 1953.

But as early as 1954, it appears, the boards of both Massey and Standard were in agreement that the two companies should work more closely: not merely on a contractual basis but with a merger in mind. In order to safeguard its interest in Standard and to keep out other possible buyers, Massey began acquiring Standard stock on the open market. By early 1957, when it revealed its position, it had built up a near 20% interest.

In July of that year Massey made its formal merger offer on a share exchange plus cash basis. The terms of the offer were drawn up independently by two London banking houses and the offer itself was made conditional on acceptance by holders of 90% of Standard stock.

At the time, Massey shareholders were told that their board considered it "essential" that the company own additional facilities for making tractors. The merger, it was stated, would be of "great and lasting benefit" to the company.

Although the Standard board recommended acceptance of the offer, it was not long before a storm started brewing. The offer was harshly criticised in the U.K. press, particularly by the Beaverbrook papers ("the very worst of luck to those aspiring gentry in Toronto who are trying to get a British car company on the cheap" said the Sunday Express). In addition, opposition was built up among Standard shareholders by a self-appointed judge of the situation, an organisation named Investors' Protection Facilities Ltd. headed by a man named Julian Hodge, who reappeared on the scene this year.

**The take-over was** even the subject of a House of Commons debate, with the Labor Party expressing fears it would mean another British automobile producer would fall under the control of Detroit. (Strangely enough, Massey remained silent on this issue when it could easily have disabused the British public of the notion it was an American company by pointing out that 90% of the company stock is held in Canada.)

At any rate there was no real chance to test the strength of the opposition — whether on patriotic or more mercenary grounds — because outside circumstances now played a hand. The market went against Massey and its stock dropped in value. The French franc was devalued, affecting the company's important French operation. Accordingly the offer was withdrawn and all was quiet until July this year, when a second offer was triggered, following action taken by Standard in June. Anxious to build up its car side, with new models in view, Standard has made a share-exchange-plus-cash offer for the stock of one of its suppliers, Mulliners (Holdings) Ltd., a Birmingham firm of body builders. Since this involved the issue of extra Standard shares, it also meant a dilution of Massey's equity in Standard.

**Massey's answer to** this was to step into the ring and offer to buy Standard stock in the hands of Mulliners shareholders, at a premium.

The Massey offer drew an immediate and heated reaction from the U.K. press. It was described as a "back door bid". The *Birmingham Post* surmised a difference of opinion on the status of Standard's car-making operations: "Massey's main object seems to be to stop Standard from spending money or expanding its output of cars or from making cars altogether", it said.

More significantly, Standard's chairman, Marshal of the Royal Air Force Lord Tedder, issued an angry statement to the effect that Massey had made the offer without prior consultation—thereby implying bad faith (though it is difficult to see what else Massey could have done under the circumstances, without bidding up the price of Standard). He took the un-

usual step of predicting a substantial increase in profits. and dividends, the aim being to head off any of Mulliners' shareholders who might consider accepting the Massey offer.

**And in part the manoeuvre** succeeded. Standard stock gained on the announcement but the market generally soured on the news of the Lebanon and Iraqi crises, stranding the price below the Massey offer. The upshot was that 60% of Standard stock held by Mulliners' shareholders was offered to Massey, which thereby increased its holding to roughly 24%.

And there the situation rests at the moment. *The Economist,* commenting on the squabble over Mulliners, warned Massey that, if it valued its reputation in the U.K., it "must mend its manners."

Massey has found few champions and has sought none. It has acted shrewdly from the point of view of its own shareholders; it has refused to be stampeded by adverse comment into a course of action it might subsequently regret. On the other hand it has incurred some ill will—an intangible liability but none the less important for that.

Many factors still remain unexplained. For instance, why has Massey no representation at all on the board of Standard? Is it waiting to assume working control and then obtain majority representation? Why should a company whose undoubted strength is in its management fail to secure an objective it once termed "essential"?

Corporate history is full of examples of take-over bids and proxy battles which have become protracted because of a clash of interests. In the case of Massey and Standard, however, it seems there originally was a community of interest, though this since has been lost. One thing worth remembering: a stormy engagement often makes for a happy marriage.

# Mortgages

CONTINUED FROM PAGE 20

overstocked would have a ready market for surplus mortgages. Individual investors could balance stock investments with mortgage holdings on the basis of a realistic market. Small investors, previously excluded from the mortgage market, would be let in.

The greatest overall benefit, of course, would be the introduction of new capital into the mortgage field. Individuals, reluctant to put all their eggs in the stock market basket and wary of bonds, might find a mortgage market a good compromise. Probably the biggest source of new funds, however, would be U.S. capital.

Where would the mortgages come from to get such a market under way? Probably from the chartered banks. Insurance companies, the biggest buyers overall, tend to try to hold their mortgages to maturity. Banks, on the other hand, are vitally interested in liquidity. If assured of liquidity, they would probably tend to buy and sell as their needs dictated.

Attempts to set up a mortgage market are not new. A year or two ago one of the chartered banks worked out a scheme for marketing mortgages. This involved putting together a representative bundle of mortgages on properties located in a particular area, or spread throughout the country, to minimize the risk. The bundles were to be sold in units of $100,000, composed mainly of 10 NHA mortgages of $10,000 each. This program was designed to appeal to large U.S. investment houses. It was allowed to lapse because of the problem of the rising premium on the Canadian dollar. The idea, however, is not dead.

**Now, with the exchange** problem lessened, and the higher rates on Canadian mortgages—many at 6 per cent—there are indications that U.S. money could be tempted into the market. Another favorable factor with Canadian mortgages is that home owners in Canada generally have a substantially higher equity than U.S. homeowners. Under some conditions, for example, U.S. houses can be bought with no down payments.

There is another reason why a functioning mortgage market has not yet been set up: The various interested parties can't seem to agree on just who should take the initiative.

Some institutions and private investors say the chartered banks should take the initiative. The banks say the government, in this case Central Mortgage and Housing Corp., should lead off. CMHC says it's up to private industry.

"Actually, CMHC does have the power to set up such a market," Steward Bates, CMHC president says. "But we think this is the sort of situation for private initiative. After all, we think we see a chance for the bureaucrats to hold back and give private industry a chance, we want to take it."

Private enterprise shows signs that it can now get together and do what CMHC suggests. In preparing their mortgage market plan, for instance, Ontario Title Insurance worked closely with all interested parties. The company, a branch of Lawyers Title Insurance Corp. of Richmond, Va. has brought these viewpoints together in its suggested plan.

In outline, the plan calls first for formation of a committee of the Dominion Mortgage and Investment Assoc., the Canadian Bankers Assoc., the Investment Dealers Assoc., the Trust Companies Assoc. and other individuals. The plan also recommends that this committee be joined by U.S. mortgage bankers to help with the international aspects of the market.

The committee's job would be "the establishment, by future participation committments . . . of centralized clearing houses of an independent nature, free of control by either governmental agencies or private lending institutions."

The company finds three main reasons for mortgage market failures:

The inclusion of low-quality of second mortgages;

The excessive use of the exchange by principals for the liquidation of their own portfolios;

Complete lack of backing or recognition by prime lending institutions and governmental agencies.

In view of this, the plan's second recommendation calls for the establishment "of servicing houses, which, with the approval of governmental agencies, would be authorized to service NHA mortgages, in addition to conventionals."

These servicing facilities would include receiving payments on account and forwarding net amounts to mortgagee, less a small fee, probably one-half of one per cent to one per cent. All problems relative to the mortgage, such as real estate taxes, insurance, mortgagee-mortgagor relations and NHA liaison would also be handled.

The facilities would also handle all correspondence and any other special matters required by the mortgagee.

**The advantage of these** facilities would be that an investor would have a predictable net return from his investment. Under the present system "no lender knows exactly what net return he receives on any given mortgage."

Addressing itself to institutional lenders, the plan says maintenance of a mortgage servicing department is more costly and less efficient than the provision of such service on a larger scale and with uniform practices.

"The fluctuation of a mortgage portfolio reflects a fluctuation in personnel necessary to handle such accounts. In the past, one of the factors against any large turnover in mortgages in spite of the availability of more appealing investments has been that employee man-hours required for servicing would vary from month to month, thus requiring continual adjustment in the number of employees required."

The plan's third recommendation calls for the establishment of a government financed mortgage banking or warehousing facility "to hold on credit a limited quantity of insured mortgages against the account of any approved lender, thus taking up the slack in buying and selling."

The value of this, the company says, is that "a liquid position is readily creatable for the approved lender."

Undoubtedly some modifications would have to be made to bring such a plan into operation. But is provides a blueprint for filling a needless and costly gap in this country's financial structure.

# Labor

CONTINUED FROM PAGE 11

pital and apartments—$52 million worth —was halted by a strike of 650 plumbers.

Some 6,300 Ontario truck drivers and warehousemen, members of the Teamsters' Union, were threatening to strike. If called, a strike could paralyze long-distance trucking in Ontario and severely effect other provinces.

Only a last-minute wage compromise saved Toronto from a strike by 3,500 civic workers that would have shut down garbage collection, street cleaning and cut water supplies.

**A strike of 8,000** workers at the Steel Company of Canada, Hamilton's main industry, dragged on with little hope of settlement.

The International Nickel Company's Mines at Sudbury and Port Colborne, Ont., shut down when 14,000 men walked out.

Slowly, with a careful eye on events across the border, the giant United Auto Workers' union moved through the prescribed conciliation procedure at General Motors, Ford and Chrysler of Canada, clearing the decks for a possible auto strike.

In addition, 130,000 non-operating railway workers stuck by their wage demands —which were supported by a conciliation board—and prepared to strike in November.

**The Stelco strike,** first at the plant since 1946, came at a time when there were sufficient orders to provide plenty of work. The steel industry had come through the recession better than many others.

Wages were the issue. The dispute between the company and the powerful United Steelworkers of America soon developed into a propaganda brawl.

Stelco offer a five cent per hour package increase, three cents of this in wages. The union scornfully refused. A picketer at the plant gates tossed a nickel at the general manager.

The Company took a series of large newspaper advertisements. It attacked the union for causing "self-inflicted unemployment" and listed the damage loss of Stelco wages was doing to the Hamilton area.

Union leaders accused Stelco of setting itself up as "the CMA's knight in shining armour", by championing "hold-the-line".

Hold-the-line said the Steelworkers' national director William Mahoney was an ad-agency slogan that really meant "Get Labor."

The Inco strike, which hit and paralysed a one-industry area, promised to be a darker, still more bitter dispute.

Inco's profits had dropped by more than half in the first six months of 1958. So had its share of the world nickel market. The western world had a surplus of Inco products—nickel, platinum and copper. Inco had large stockpiles.

So the International Union of Mine, Mill and Smelter workers' demand for a ten per cent wage increase came at a bad time. The company rejected it and the majority report of a conciliation board supported the rejection.

Mine, Mill, which had kept labor peace at Sudbury since it was certified in 1943, claimed its members needed the increase as most of them were on short time.

The company was in an excellent bargaining position. It could well afford a strike as nickel wasn't selling anyway. Mine, Mill, having been thrown out of the national labor congress because of its Communist-tinged leadership, had no huge reserves of cash to fall back on. But it was in a corner. It had to strike or lose face.

These two situations, in which big unions face big companies solidly resolved not to yield an inch, typify struggles across the country.

**Labor had a run** of steady gains in wages and benefits during the boom years. According to figures quoted by Dr. Jules Backman, professor of economics at New York University, average hourly earnings in Canadian manufacturing industries rose from 70.5 cents in 1944 to $1.60 in 1957 —about twice as fast as the consumer price index. In the past 10 years hourly earnings rose 3.3 per cent per year while output per man hour rose about two per cent.

Now, faced with economic setbacks, Labor feels it is under political attack.

The movement, said CLO president Claude Jodoin, was "the target of attacks on a scale seldom seen in the past."

The controversial U.S. "right-to-work" laws, which ban compulsory union membership, are cited as an example of a general plot by big business. These laws have been adopted in 18 states and are being considered in six more. But the right-to-work campaign has made little headway in Canada.

A more real threat came from British Columbia last month. Both Vancouver newspapers reported the Social Credit government planned to limit the use of the strike weapon. Unions would be forced to register as societies, making them liable to prosecution for breach of contract; there would be compulsory arbitration of disputes affecting utilities and public inquiries held before a strike could take place.

The B.C. government did not confirm or deny the reports.

Canadian unions have shown themselves very sensitive to the publicity given union racket investigations in the United States. This, it is claimed, is one more attempt to smear Labor as a whole.

These issues, real or otherwise, help the Canadian movement to close its ranks ready for trouble.

The trouble has begun. It is likely to get worse before it gets better.

# Frost

CONTINUED FROM PAGE 17

loans between $300 and $1,000, finance companies charge one per cent a month, for a true annual rate of 12 per cent. On loans between $1,000 and $1,500, these companies charge a true annual rate of six per cent. Obviously, a person who can get a bank loan at 10.4 per cent isn't going to take a finance company loan at 24 per cent instead.

But here, the finance companies say, is the rub. Banks, they say, simply won't lend one or two hundred dollars to the average wage earner with no collateral. Five hundred dollars to a salaried man with a home and good record, probably, but not to the average working man.

"I don't think they'll touch us at all," an executive of one of Canada's largest personal loan companies said. "Most of our loans go to working people. I don't think the banks are going to lend to them."

"Actually, what they'll do is skim the top off the personal loan market. They'll be a bigger threat to the credit unions than they will to us. (Credit union loan rates are 12 per cent a year.) It just isn't economically feasible to make a whole flock of little loans at 10 per cent."

**Acceptance companies** are also beginning to discount the effect of Scotia Plan loans on their operations. In the first place, they say, under the terms of the revised Bank Act, chartered banks are not permitted to take chattel mortgages on loans except on an individual basis. This means, they say, that the loans will be unavailable for any business use.

To the question of how will they compete with the bank for the individual's business in borrowing money to buy a new car, they claim their present rates are competitive with the bank's.

"Our charge is about 17 per cent," an acceptance company executive said. "But of that 17 per cent, the dealer who sells the car gets about one third."

"So, without the rebate, our rate would be about 11 per cent. We could, for example, trim our rebate, which would bring our overall rate down and still give us a bargaining position over the bank. After all, if we give the dealer, say, five per cent, he's not going to try to push the Scotia Plan which gives him nothing."

No one can say yet just what the final impact of the Scotia Plan will be. Its major social significance, however, is that it puts at least one chartered bank squarely in the marketplace of the moneylender—an area banks have in the past discreetly avoided.

# Editorials

## The Destroyers

THERE IS a hint of desperation in the recent fulminations of some of the labor leaders who have led their unions into costly strikes. They have been charging management with attempting to smash the unions by refusing to meet labor's demands. Management could with just as much justice charge the unions with attempting to smash the companies by making excessive demands. And the ordinary working joe on strike should wonder whether the strike weapon wielded by his leaders is not smashing his own hope of a secure, pleasant life.

Plumbers in British Columbia recently ended a 19-week strike. Total wage loss was estimated at $6 million. In the first six weeks of the Steel Company of Canada strike in Hamilton, each striker lost an average of $555 in pay and the Hamilton area lost $4½ million in wages. The same tale is repeated in Sudbury as a result of the strike at International Nickel.

Any lengthy strike saddles the worker with debt. Merchants carry bills they have no hope of collecting. Municipalities lose revenue. Tax collections fall off. The striker never makes up his loss and is generally saddled with debt for years. The union remains strong, because of the legal device for enforced collection of dues. The worker stays weak, through loss of wages and independence. On this basis, could it not be said that the strike-prone labor leader is really the destroyer?

## How Many Jobless?

HOW MUCH unemployment is there in Canada? Nobody knows. How much will there be this winter? The Federal Government doesn't seem to have a clue. Labor Minister Starr says that winter unemployment could be serious. Finance Minister Fleming falls back on his rich stock of platitudes to express his confidence that there will be less "normal seasonal unemployment" this winter than last.

The National Unemployment Service gives one figure covering those seeking work on a certain date, but it does not distinguish between the already employed and the unemployed, nor does it claim to have a complete total of those out of work and looking for jobs. The Dominion Bureau of Statistics produces quite a different figure, but it too fails to separate the honest jobless from the wanderers and the people chronically unable to hang on to even a rudimentary job.

Obviously some more accurate means of numbering or estimating the total number of jobless, job seekers and unemployables is necessary. Without such accurate information, how can the Federal Government, or any other government, make any sort of reasonable approach to the problem of unemployment? If there is no accuracy at the start, we can scarcely hope for a sound program at the end.

The Diefenbaker Government has been doing some pretty lavish spending. Let it shell out the modest sum necessary for a study of the collection of unemployment facts and figures.

## A Great Man Dies

POPE PIUS XII was one of the truly great men of our time. His position as head of the Roman Catholic Church did not necessarily make him so. But he was much more than the leader of a large segment of the Christian world. His intellectual power and personal conduct put him above creed and sect and made him a symbol of faith to many millions who did not belong to his church—nor, indeed, to Christianity.

In a time of war and threatened war he rightfully earned the title "The Pope of Peace". He spoke as the conscience of mankind, and therefore was hated by the conscienceless, the breeders of hate and the immoral seekers of temporal power. He used all his magnificent intellectual gifts in the cause of peace. And for that he was hated by those who did not want peace and understanding between the peoples of the world. They hated him because he spoke of peace in a society based on justice and truth, and because he did not confuse peace with surrender. His kind of peace was not peace at any price; he made clear the things that were priceless.

A great man has died. May his successor equal him in wisdom and reputation.

## More Competition

ACCORDING to its own submission to the Transport Board, Trans-Canada Air Lines would suffer a three-year loss of $30 million if another line were permitted to compete for passenger traffic across Canada. Canadian Pacific Air Lines insists that it could not only compete with TCA but do so at a profit. It has asked the Transport Board for a chance to prove its point in operation.

There is no reason why CPA should not be given that chance. Canada is supposed to have a competitive economy. The Diefenbaker Government is pledged to the principle of competitive enterprise—albeit somewhat more cautiously now than in the days before the Conservatives took office. This means there should be just as much competition between crown corporations and private business as between organizations within the private sphere.

For that matter, the time has come for a review of the entire crown corporation business. It can be argued, for instance, that the Government has no reason now to be in the airline business at all.

## Reflection

IT IS POSSIBLE that there are some catcalling back benchers who, as one correspondent suggests, "do not realize how much damage they do to their claims to be creditable representatives of their voters."

As a rule, however, these individuals tend to represent pretty faithfully the electorate responsible for them. Obviously they feel impelled to get themselves on record in Hansard as best they can, if only to satisfy the voters who sent them to Ottawa. The deal seems to be, "You send me to Parliament and I'll supply the spitballs."

## All Is Perfect?

HAVE YOU noticed how many weary, dispirited reformers there are about these days—tired old men, disillusioned because they no longer seem to have any real purpose in life?

Time was when the CCF was regarded as the political arm of the hot-eyed reformers. Today, all their Socialist thunder has been appropriated by the Liberals and the Conservatives, leaving them with nothing to do.

Time was when organized labor, with its democratic humanitarian traditions, attracted the reformers in droves. But labor has become so big and so strong that it has lost its humanitarian appeal and its democratic traditions are seldom men-

**ANSWER TO PUZZLER**
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tioned except by those who feel it expedient to pay lip service in stale Labor Day messages.

Why so much unemployment among Canada's reformers? Surely there is still a job for them to do somewhere.

There is, in fact, a big job to be done. Contemporary reformers with time on their hands should ponder the social significance of our mania for bigness. Big Government, Big Labor, Big Agriculture, for example, all offer opportunities to reformers who may still believe that the individual has a place in society; all three, in greater or lesser degree, are steadily encroaching on the liberty of the individual; and all three need to be challenged.

The trouble is that the tired old men of the reform movement of half a century ago misled youth by mouthing about reforms which, of themselves, have spawned new and graver social dangers than those they were supposed to correct.

## Dignity And Slavery

HEALTH AUTHORITIES seem to be pretty well agreed that work keeps people out of the asylum as well as the poorhouse. Just the other day, for example, Dr. Edward G. McGayran, dean of the University of North Carolina's school of public health, told the Ontario Public Health Association that failure to impress upon children that work can be dignified and to make them aware of the fact that life is not all play may well have something to do with the increasing incidence of mental disease.

We're suspicious of propaganda in favor of work. It's been going on for a long time now. When we were young we were told that it was man's fate to work, that to be an idler was dishonest, unpatriotic and generally immoral. Now the young are being threatened with insanity instead of damnation. But we remain unconvinced that most work is either dignified or vital to health.

We'll freely admit that work is necessary. And there's the rub. That's what makes it undignified to most of us. No matter what our other freedoms may be, we are slaves to The Job. Without it we perish; our cars, our freezers and our TV dinners vanish. Because of it, most of us lead lives of quiet desperation until The Job decides that we're too old.

It's undoubtedly true that there are a lot of silly people who would idle themselves into madness without the discipline of a set routine to account for their waking hours. But we would like to see a study made of how many people go haywire because of the daily indignity of getting up at the ring of a bell, climbing on to a bus or trolley to the sound of more bells, start work and quit work on the signal of still more bells. No wonder there are bats in many belfries.


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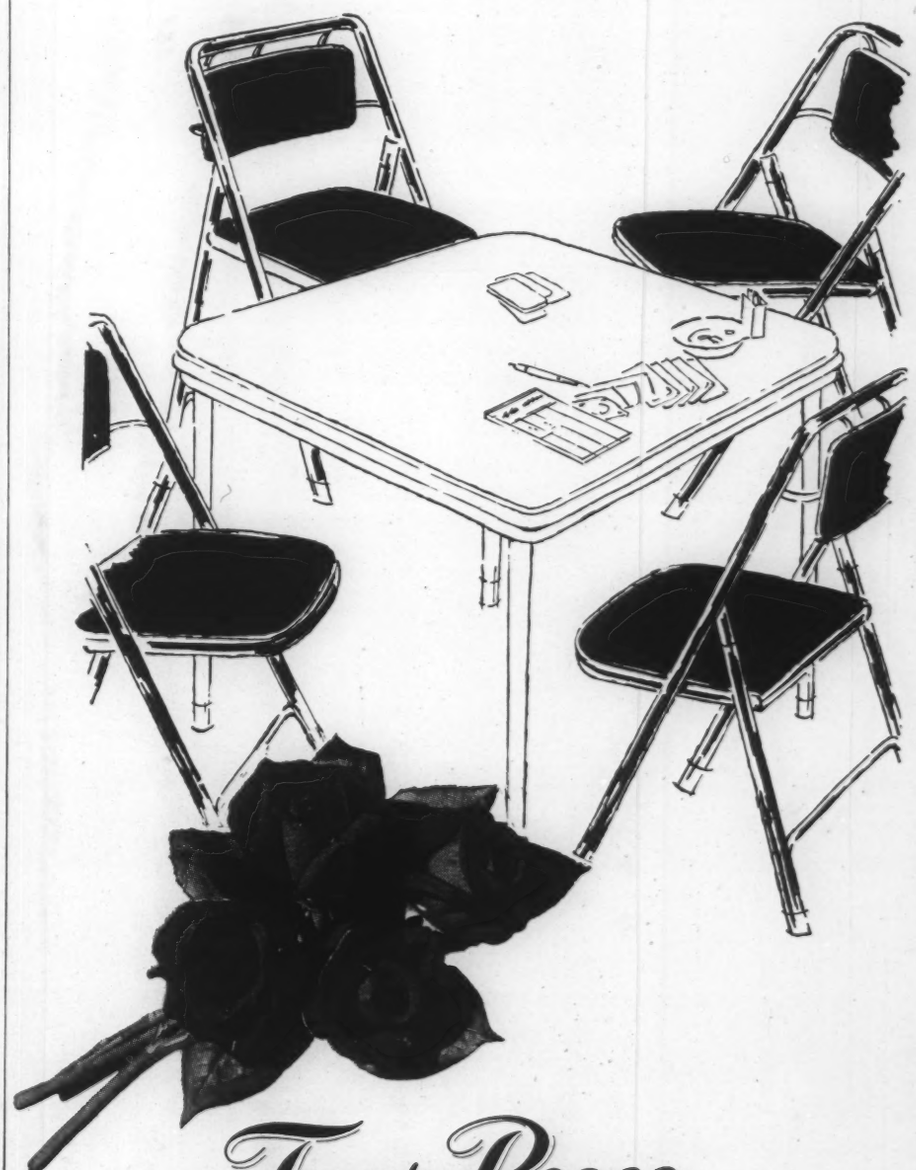

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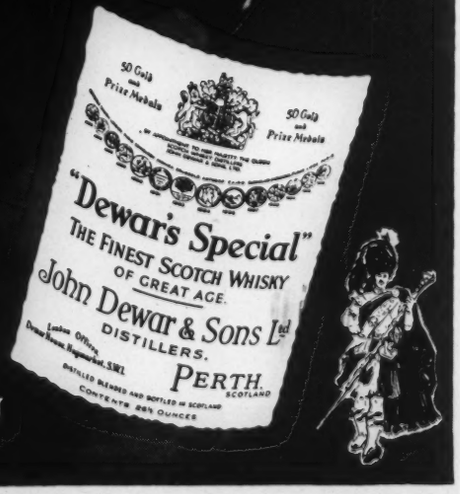


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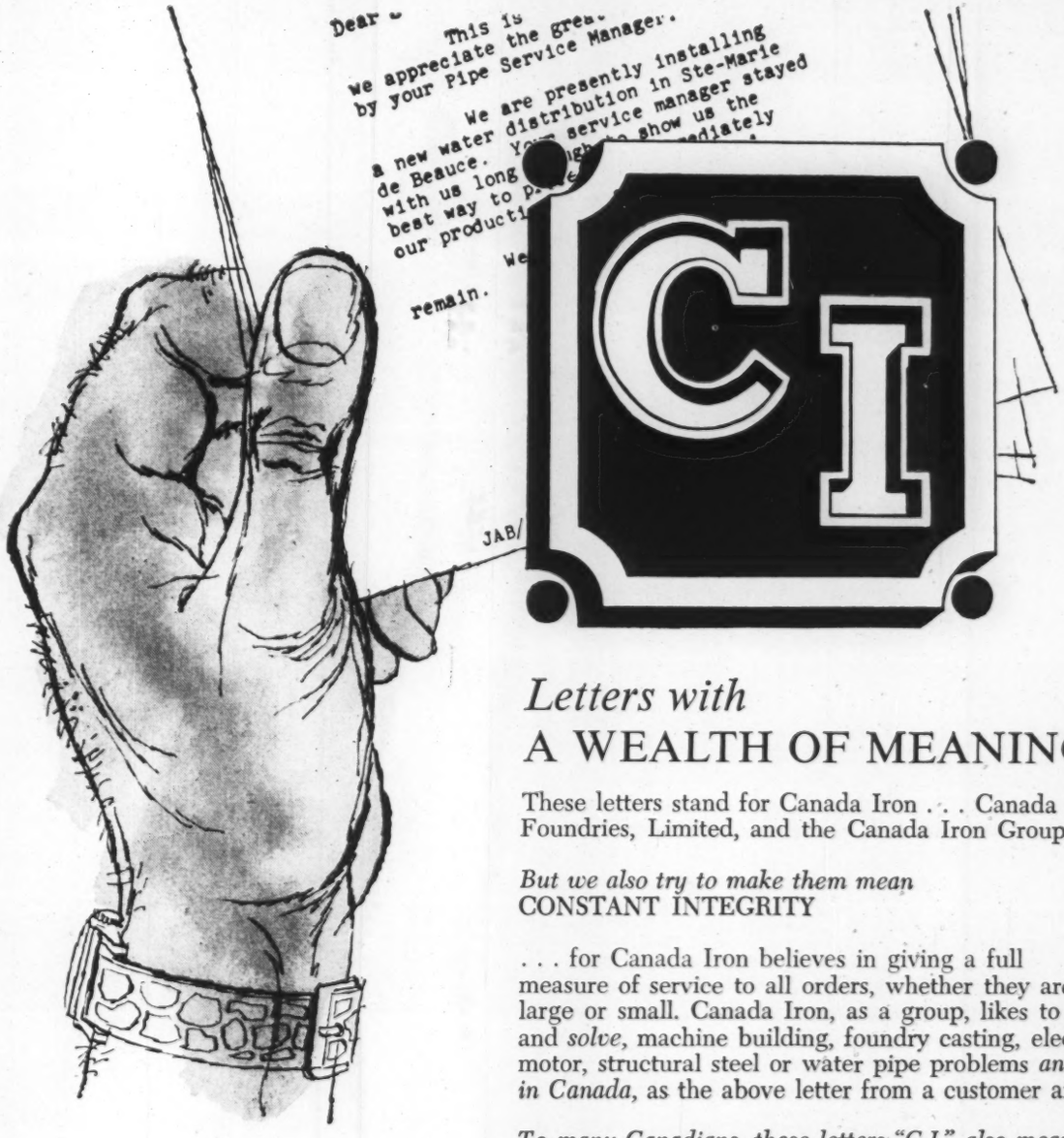


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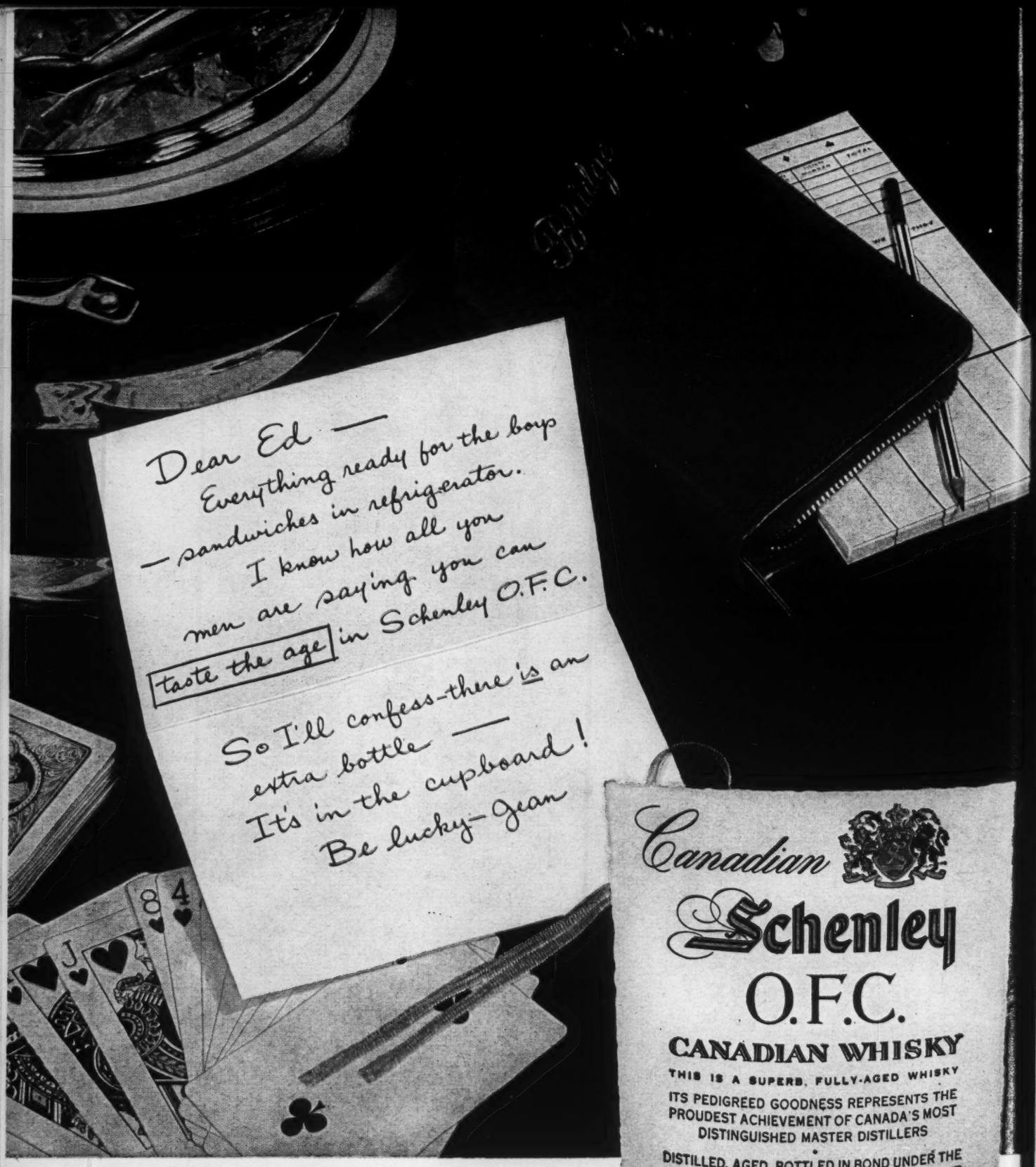
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